

# **State of Alaska FY2003 Governor's Operating Budget**

**Department of Labor and Workforce Development**

# Contents

|  |           |
|--|-----------|
| <b>Department Mission</b>                                      | <b>5</b>  |
| Department Goals and Strategies                                | 5         |
| Key Department Issues for FY2002 – 2003                        | 5         |
| Major Department Accomplishments in 2001                       | 6         |
| Governor's Key Department-wide Performance Measures for FY2003 | 7         |
| Department Budget Summary by BRU                               | 11        |
| Funding Source Summary   | 12        |
| Position Summary   | 12        |
| FY2003 Capital Budget Request                                  | 13        |
| Overview of Departmental Budget Changes                        | 14        |
| Summary of Department Budget Changes by BRU                    | 16        |
| <b>Employment Security Budget Request Unit</b>                 | <b>17</b> |
| Key Performance Measures for FY2003                            | 19        |
| BRU Financial Summary by Component                             | 27        |
| Summary of BRU Budget Changes by Component                     | 28        |
| <i>Component: Employment Services</i>                          | 29        |
| Component Financial Summary                                    | 34        |
| Summary of Component Budget Changes                            | 35        |
| Personal Services Information                                  | 37        |
| <i>Component: Unemployment Insurance</i>                       | 38        |
| Component Financial Summary                                    | 41        |
| Summary of Component Budget Changes                            | 42        |
| Personal Services Information                                  | 43        |
| <i>Component: Job Training Programs</i>                        | 44        |
| Component Financial Summary                                    | 47        |
| Summary of Component Budget Changes                            | 48        |
| Personal Services Information                                  | 49        |
| <i>Component: Adult Basic Education</i>                        | 50        |
| Component Financial Summary                                    | 53        |
| Summary of Component Budget Changes                            | 54        |
| Personal Services Information                                  | 55        |
| <b>Administrative Services Budget Request Unit</b>             | <b>56</b> |
| Key Performance Measures for FY2003                            | 57        |
| BRU Financial Summary by Component                             | 59        |
| Summary of BRU Budget Changes by Component                     | 60        |
| <i>Component: DOL State Facilities Rent</i>                    | 61        |
| Component Financial Summary                                    | 62        |
| Summary of Component Budget Changes                            | 63        |
| <i>Component: Data Processing</i>                              | 64        |
| Component Financial Summary                                    | 66        |
| Summary of Component Budget Changes                            | 67        |
| Personal Services Information                                  | 68        |
| <i>Component: Management Services</i>                          | 69        |
| Component Financial Summary                                    | 70        |
| Summary of Component Budget Changes                            | 71        |
| Personal Services Information                                  | 72        |
| <i>Component: Labor Market Information</i>                     | 73        |
| Component Financial Summary                                    | 75        |
| Summary of Component Budget Changes                            | 76        |
| Personal Services Information                                  | 77        |
| <b>Office of the Commissioner Budget Request Unit</b>          | <b>78</b> |

|   |            |
|---|------------|
| Key Performance Measures for FY2003                         | 79         |
| BRU Financial Summary by Component                          | 81         |
| Summary of BRU Budget Changes by Component                  | 82         |
| <i>Component: Alaska Human Resources Investment Council</i> | 83         |
| Component Financial Summary                                 | 85         |
| Summary of Component Budget Changes                         | 86         |
| Personal Services Information                               | 87         |
| <i>Component: Commissioner's Office</i>                     | 88         |
| Component Financial Summary                                 | 90         |
| Summary of Component Budget Changes                         | 91         |
| Personal Services Information                               | 92         |
| <i>Component: Alaska Labor Relations Agency</i>             | 93         |
| Component Financial Summary                                 | 95         |
| Summary of Component Budget Changes                         | 96         |
| Personal Services Information                               | 97         |
| <b>Workers' Compensation Budget Request Unit</b>            | <b>98</b>  |
| Key Performance Measures for FY2003                         | 99         |
| BRU Financial Summary by Component                          | 105        |
| Summary of BRU Budget Changes by Component                  | 106        |
| <i>Component: Fishermens Fund</i>                           | 107        |
| Component Financial Summary                                 | 109        |
| Summary of Component Budget Changes                         | 110        |
| Personal Services Information                               | 111        |
| <i>Component: Workers' Compensation</i>                     | 112        |
| Component Financial Summary                                 | 114        |
| Summary of Component Budget Changes                         | 115        |
| Personal Services Information                               | 116        |
| <i>Component: Second Injury Fund</i>                        | 117        |
| Component Financial Summary                                 | 118        |
| Summary of Component Budget Changes                         | 119        |
| Personal Services Information                               | 120        |
| <b>Labor Standards and Safety Budget Request Unit</b>       | <b>121</b> |
| Key Performance Measures for FY2003                         | 123        |
| BRU Financial Summary by Component                          | 127        |
| Summary of BRU Budget Changes by Component                  | 128        |
| <i>Component: Wage and Hour Administration</i>              | 129        |
| Component Financial Summary                                 | 131        |
| Summary of Component Budget Changes                         | 132        |
| Personal Services Information                               | 133        |
| <i>Component: Mechanical Inspection</i>                     | 134        |
| Component Financial Summary                                 | 136        |
| Summary of Component Budget Changes                         | 137        |
| Personal Services Information                               | 138        |
| <i>Component: Occupational Safety and Health</i>            | 139        |
| Component Financial Summary                                 | 142        |
| Summary of Component Budget Changes                         | 143        |
| Personal Services Information                               | 144        |
| <i>Component: Alaska Safety Advisory Council</i>            | 145        |
| Component Financial Summary                                 | 146        |
| Summary of Component Budget Changes                         | 147        |
| Personal Services Information                               | 148        |
| <b>Vocational Rehabilitation Budget Request Unit</b>        | <b>149</b> |
| Key Performance Measures for FY2003                         | 151        |
| BRU Financial Summary by Component                          | 155        |
| Summary of BRU Budget Changes by Component                  | 156        |
| <i>Component: Client Services</i>                           | 157        |

|   |            |
|---|------------|
| Component Financial Summary.....                                | 159        |
| Summary of Component Budget Changes.....                        | 160        |
| Personal Services Information.....                              | 161        |
| <i>Component: Federal Training Grant.....</i>                   | <i>162</i> |
| Component Financial Summary.....                                | 163        |
| Summary of Component Budget Changes.....                        | 164        |
| <i>Component: Vocational Rehabilitation Administration.....</i> | <i>165</i> |
| Component Financial Summary.....                                | 167        |
| Summary of Component Budget Changes.....                        | 168        |
| Personal Services Information.....                              | 169        |
| <i>Component: Independent Living Rehabilitation.....</i>        | <i>170</i> |
| Component Financial Summary.....                                | 172        |
| Summary of Component Budget Changes.....                        | 173        |
| Personal Services Information.....                              | 174        |
| <i>Component: Disability Determination.....</i>                 | <i>175</i> |
| Component Financial Summary.....                                | 177        |
| Summary of Component Budget Changes.....                        | 178        |
| Personal Services Information.....                              | 179        |
| <i>Component: Special Projects.....</i>                         | <i>180</i> |
| Component Financial Summary.....                                | 182        |
| Summary of Component Budget Changes.....                        | 183        |
| Personal Services Information.....                              | 184        |
| <i>Component: Assistive Technology.....</i>                     | <i>185</i> |
| Component Financial Summary.....                                | 187        |
| Summary of Component Budget Changes.....                        | 188        |
| Personal Services Information.....                              | 189        |
| <i>Component: Americans With Disabilities Act (ADA).....</i>    | <i>190</i> |
| Component Financial Summary.....                                | 192        |
| Summary of Component Budget Changes.....                        | 193        |
| Personal Services Information.....                              | 194        |

**Commissioner: Ed Flanagan**

**Tel:** (907) 465-2700 **Fax:** (907) 465-2784 **E-mail:** Ed\_Flanagan@labor.state.ak.us

**Administrative Services Director: Remond Henderson**

**Tel:** (907) 465-2720 **Fax:** (907) 465-2107 **E-mail:** Remond\_Henderson@labor.state.ak.us

**Department Mission**

The mission of the Department of Labor and Workforce Development is to promote safe and fair working conditions and to advance opportunities for employment.

**Department Goals and Strategies**

**1) PUT ALASKANS TO WORK.**

- Increase marketing of employment services to Alaska employers including the opportunity for them to post their job orders directly to Alaska's Job Bank through use of the Internet.
- Provide partial income replacement to insured workers during periods of temporary unemployment through an efficient and convenient application process.
- Provide Adult Basic Educational Services to assist Alaskans' transition into higher education, vocational education, and ultimately into employment.
- Reduce jobless rate among Alaskans with disabilities.

**2) ENSURE THAT ALASKAN WORKERS ARE: PROVIDED SAFE AND HEALTHY WORKPLACES AND COMMUNITIES; PROTECTED FROM ECONOMIC HARDSHIP WHEN INJURED ON THE JOB; RECEIVE WAGES AND OVERTIME PAY IN ACCORDANCE WITH THE ALASKA WAGE AND HOUR ACT.**

- Maintain the FY 01 levels of health and safety consultations at 471 visits per year, and training of employers and workers at 1,587 students per year.
- Prioritize both assistance and compliance activities for high-hazard industries.
- Increase utilization of the Fishermen's Fund through outreach to fishermen and providers.
- Increase efforts to educate employers about child labor laws and prioritize child labor law enforcement to prevent employment of minors in hazardous occupations.

**3) UTILIZE TECHNOLOGY TO IMPROVE SERVICE TO THE PUBLIC.**

- Design and implement improvements to the Worker Profiling and Reemployment Services (WPRS) program that serves and tracks clients.
- Continue to increase the amount of demographic and labor market information available through the department's website.

**Key Department Issues for FY2002 – 2003**

The department needs to prepare and plan to facilitate the maximum use of Alaska's resident workforce for the construction and operation of any potential Alaska gas line, ANWR development and/or missile defense installation.

The Occupational Safety and Health program will be in the fifth year of the five-year strategic plan. Meeting the objectives set out in the Federal Fiscal Year 2001 Annual Performance Plan and the five-year Strategic Plan as approved by the Federal Occupational Safety and Health Administration will be a major effort on the part of the program staff.

The Training and Vocational Education Program (TVEP) diverts money from the UI Trust Fund and has been used for capital improvements. To this point TVEP has not targeted UI eligible recipients, nor are there any performance standards attached to the current usage. With the adoption of regulations we anticipate that TVEP will complement and enhance the State Training and Employment Program (STEP).

The federal Resource Justification Model (RJM) will be implemented in February 2002 and begin gathering data. This data will be used in a new formula for allocating federal funds to administer the Unemployment Insurance program. The results of the RJM will be applied for the first time when the federal FY 2004 grant budget is developed.

Recruitment and retention of data processing staff continues as a critical problem. Projects will continue as prioritized but overall available staff and their level of training and experience will limit progress.

Due to the Supreme Court decision in Arctic Bowl v Second Injury Fund as well as other causes there has been an increase in the number of approvals for recovery from the Fund. Budget increases in FY 2001 and FY 2002 were granted to deal with this issue, but this needs to be followed closely to assure that there are sufficient funds to cover increased liabilities.

Efforts to decrease the boiler and pressure vessel inspection backlog continue. With the requested addition of two new inspectors in the Mechanical Inspection section, and assuming the ability to retain current staff, the section estimates that the backlog could be significantly reduced, if not eliminated, by FY 2006.

The department is addressing a need to provide greater capacity in the One-Stop delivery system to effectively serve people with disabilities and will continue the advancement of Informed Choice in all facets of Vocational Rehabilitation services.

### **Major Department Accomplishments in 2001**

In 2000, 3,984 more Alaskans were employed than in 1999 and wages earned by Alaskans increased by \$389.2 million. The number of nonresident workers remained virtually the same as 1999, with an additional 160 nonresidents working in Alaska in 2000 over 1999. Wages paid to nonresident workers increased by \$52.9 million in 2000 over 1999. Residency was based upon Permanent Fund Dividend data.

The Occupational Safety & Health program enrolled three Alaskan employers in the Voluntary Protection Program (VPP); one was reapproved from Merit to Star level and two were new to the program (one Star and one Merit). In the Safety and Health Achievement Recognition Program (SHARP), OSH reapproved one employer and reviewed and approved another for a total of two SHARP awards.

A total of \$114.4 million in unemployment benefits was paid to 51,074 insured workers.

Excluding self-service customers, 11,147 job seekers entered employment through Alaska Job Center Network staff efforts.

The Alaska Labor Relations Agency applied streamlined unit clarification procedures, which reduced the backlog of petitions on the supervisory status of State employees. Emphasis was placed on resolving older cases that were filed prior to 1999, while conducting investigations on new cases filed. Most of the oldest cases have been resolved. The number of open petitions has not changed substantially, as 21 cases were filed and 22 cases were concluded in FY2001. Approximately half of the cases filed in FY2001 have been resolved, thereby improving the average amount of time for resolution.

5,310 full-time adult learners were served through Adult Basic Education programs.

The reporting backlog was eliminated and the department was brought into compliance with all federal reporting time frames.

The Labor Market Information component developed and implemented an interactive data inquiry system on the Internet to enable public access to the most current 2000 Census information available.

The department promulgated regulations governing the Alaska Human Resource Investment Council and the State Training Employment Program.

There continue to be reductions in the number of uninsured workplace injuries as a result of investigative efforts by the department that identify and contact potentially uninsured employers prior to an injury occurring.

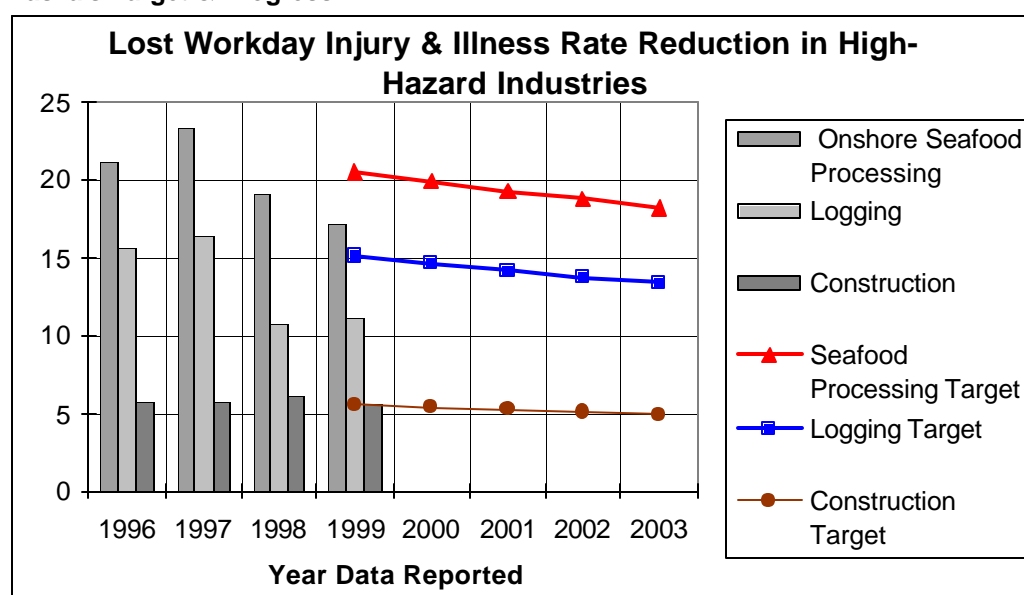
The Alaska Division of Vocational Rehabilitation expanded its presence in Alaska Job Centers throughout the state and incorporated more accessible technology to determine the aptitudes and interests of people with disabilities in their career planning and community based job assessments.

## Governor's Key Department-wide Performance Measures for FY2003

### Measure:

The number of lost workdays in high-hazard industries, including seafood processing, logging, and construction.  
Sec 91(b)(1) Ch 90 SLA 2001(HB 250)

### Alaska's Target & Progress:



The target is to reduce injuries and illnesses in each of three high hazard industries by 15% over five years (~3% per year) by focusing on those workplaces with the highest injuries and illnesses. Targeted industries are construction, logging, and seafood processing.

### Bureau of Labor Statistics Lost Workday Injury & Illness Rates for Selected Industries

|                                   | 1996 | 1997 | 1998 | 1999 | %Change<br>1996-1999 |
|-----------------------------------|------|------|------|------|----------------------|
| <b>All Private Sector</b>         | 4.1  | 4.2  | 3.9  | 3.8  | (7.3%)               |
| <b>Construction</b>               | 5.7  | 5.7  | 6.1  | 5.6  | (1.8%)               |
| <b>Logging</b>                    | 15.6 | 16.4 | 10.8 | 11.1 | (28.8%)              |
| <b>Onshore Seafood Processing</b> | 21.2 | 23.3 | 19.1 | 17.1 | (19.8%)              |

Bureau of Labor Statistics (BLS) statistics reflect the previous calendar-year activity, not the previous budget-year activity. Because the data is reported in December of the following year, the lag is nearly two years. Targets were derived using 1996 data (latest available at that time) reduced by 3% to set the 1999 target and applying a 3% reduction to each following year. The above injury and illness rates are per 100 full time workers and all data is based on calendar years.

### Benchmark Comparisons:

Released December 15th  
12/18/2001 3:43

FY2003 Governor  
Department of Labor and Workforce Development

We have been unsuccessful in obtaining useful comparison statistics from other states. Other states use different target industries. Even though we use the same industries as the federal government, they obtain their statistics on a different set of specific criteria, which makes a comparison invalid at this time. The targets shown are the federal grant performance measures for the department.

**Background and Strategies:**

The Alaska Occupational Safety & Health program is involved in on-going efforts to integrate compliance assistance with enforcement strategies in order to better direct the resources of the program toward high-hazard industries and workplaces, and toward the particular hazards and issues that cause accidents or represent recognized threats to worker safety and health. Success in this area will result in reductions in lost workdays due to job-related illness or accidents.

The department wishes to work with the legislature to revise this measure. As stated in statute this measure calls for the number of lost workdays. The department would like this to be revised to measure incidence rates. This change would align the measure with the program's federal grant performance measure. Also the department and federal government utilize rates in all other reporting and measuring functions.

**Measure:**

The number of registered clients who enter employment after receiving services through an Alaska Job Center.  
Sec 87(b)(1) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Increase to 37% the number of registered clients who entered employment after receiving service through an Alaska Job Center. For State FY2001, 36.3% of served clients have entered employment.

**Benchmark Comparisons:**

The benchmark was established at 31.6% by averaging the last two completed fiscal years (2000 and 2001). The percentage was lower in FY00 (28.5%) than in FY01 (34.7%), as it is economy driven. Success in reaching this target will require our adopting new and additional strategies and applying further resources to the goal.

Note: This benchmark is based on Alaska averaging because the U.S. Department of Labor did not have ES Performance Standards in prior years.

**Background and Strategies:**

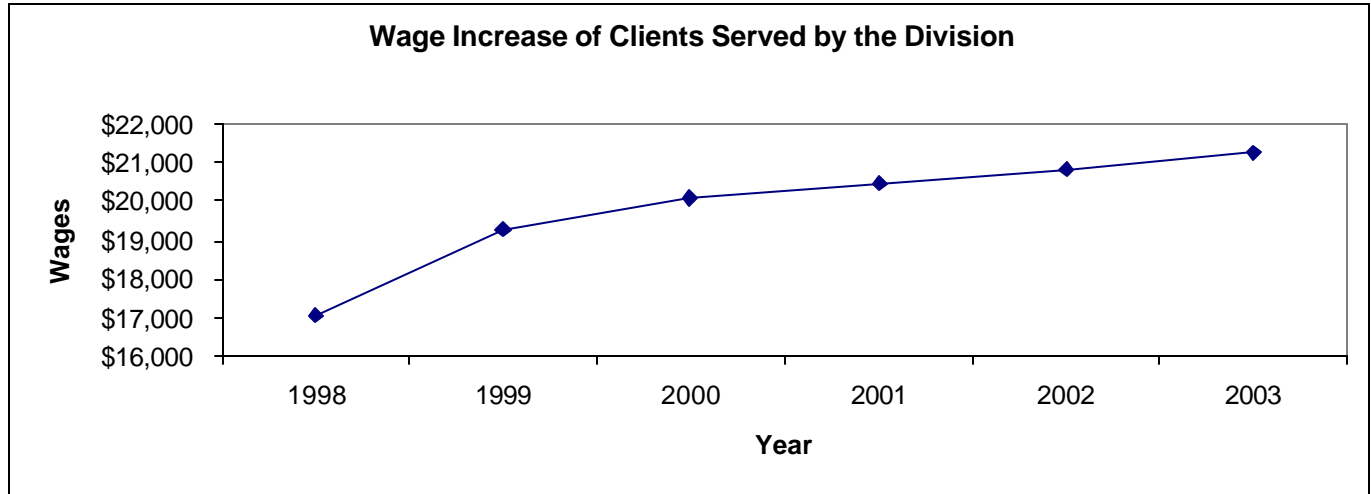
Staff-assisted service is necessary to increase the probability of a registered client entering employment. Emphasis will be placed on the following strategies:

1. Staff-assisted job search support, such as referrals, resume writing, case management, interviewing techniques and other workshops and activities that will help clients enter employment;
2. Tracking of services provided in the statewide management information system;
3. Outreach to employers and rural job seekers;
4. Marketing services to employers, job seekers, and communities.
5. Surveys to employers and job seekers to gauge their satisfaction, and continuously improve services.



**Measure:**

The increase in wages of clients who are served by the Vocational Rehabilitation Division.  
 Sec 92(b)(3) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Increase the annual wages of clients served. The average annual wage earned by Alaskans with disabilities that received services increased from \$20,084 in FY00 to \$20,425 in FY01. For FY02 and FY03 the program will work to increase the average annual wage by 2% each year. This would be to \$20,834 in FY02 and \$21,250 in FY03.

**Benchmark Comparisons:**

In FY98 the program established a base amount of \$17,062 for the average annual earnings of individuals with disabilities placed in the workforce.

**Background and Strategies:**

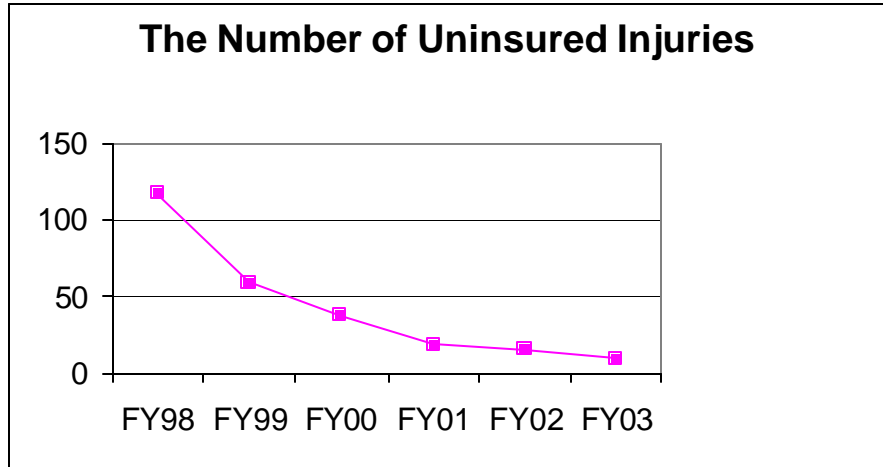
The program will consider that an individual has achieved an employment outcome when the following have been met:

- a) The provision of services under the individual's Individual Plan for Employment (IPE) contribute to the achievement of the employment.
- b) The employment is in the most integrated setting possible and is consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.
- c) The individual has maintained the employment for a period of at least 90 days.

Counselors will emphasize placing clients in well paying jobs with employee benefits.

**Measure:**

The number of uninsured workplace injuries.  
Sec 90(b)(4) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Reduction of uninsured injuries

FY98 - 117

FY99 - 59

FY00 - 38

FY01 - 19

FY02 - 15 (projections)

FY03 - 10 (projections)

**Benchmark Comparisons:**

Since the law says that all employers must insure all their employees the benchmark for this must be zero uninsured injuries.

**Background and Strategies:**

Because of the rise of uninsured injuries the Division hired an investigator in FY99. The investigator performs investigations and promotes legal compliance through computer generated information inquiries, letters to uninsured employers, on site investigations, cease and desist orders, accusations before the Workers' Compensation Board, testimony before the Board which leads to stop orders and fines, and presentation of evidence and testimony in criminal prosecutions through the Department of Law. These activities have been greatly enhanced by the new computer system.

## Department Budget Summary by BRU

*All dollars in thousands*

|                                     | General<br>Funds | FY2001<br>Federal<br>Funds | Actuals<br>Other<br>Funds | Total<br>Funds   | General<br>Funds | FY2002<br>Federal<br>Funds | Authorized<br>Other<br>Funds | Total<br>Funds   | General<br>Funds | FY2003<br>Federal<br>Funds | Governor<br>Other<br>Funds | Total<br>Funds   |
|-------------------------------------|------------------|----------------------------|---------------------------|------------------|------------------|----------------------------|------------------------------|------------------|------------------|----------------------------|----------------------------|------------------|
| <b>Formula<br/>Expenditures</b>     |                  |                            |                           |                  |                  |                            |                              |                  |                  |                            |                            |                  |
| None.                               |                  |                            |                           |                  |                  |                            |                              |                  |                  |                            |                            |                  |
| <b>Non-Formula<br/>Expenditures</b> |                  |                            |                           |                  |                  |                            |                              |                  |                  |                            |                            |                  |
| Employment<br>Security              | 2,364.5          | 42,418.7                   | 12,175.7                  | 56,958.9         | 2,320.0          | 53,932.0                   | 11,510.4                     | 67,762.4         | 2,340.8          | 55,857.7                   | 11,418.3                   | 69,616.8         |
| Administrative<br>Services          | 1,293.5          | 6,712.7                    | 3,764.0                   | 11,770.2         | 1,315.5          | 7,674.1                    | 3,849.1                      | 12,838.7         | 1,308.2          | 8,428.0                    | 4,075.9                    | 13,812.1         |
| Office of the<br>Commissioner       | 711.8            | 0.0                        | 640.8                     | 1,352.6          | 685.6            | 80.5                       | 530.0                        | 1,296.1          | 702.3            | 0.0                        | 1,069.8                    | 1,772.1          |
| Workers'<br>Compensation            | 1,370.4          | 0.0                        | 4,963.7                   | 6,334.1          | 785.6            | 0.0                        | 6,258.8                      | 7,044.4          | 173.5            | 0.0                        | 6,931.0                    | 7,104.5          |
| Labor<br>Standards and<br>Safety    | 3,267.4          | 1,790.9                    | 972.7                     | 6,031.0          | 3,011.1          | 1,852.3                    | 1,300.7                      | 6,164.1          | 3,388.6          | 1,942.3                    | 1,697.5                    | 7,028.4          |
| Vocational<br>Rehabilitation        | 3,984.3          | 14,225.0                   | 1,040.6                   | 19,249.9         | 4,110.3          | 18,716.9                   | 1,186.7                      | 24,013.9         | 4,143.2          | 17,753.4                   | 1,176.9                    | 23,073.5         |
| <b>Totals</b>                       | <b>12,991.9</b>  | <b>65,147.3</b>            | <b>23,557.5</b>           | <b>101,696.7</b> | <b>12,228.1</b>  | <b>82,255.8</b>            | <b>24,635.7</b>              | <b>119,119.6</b> | <b>12,056.6</b>  | <b>83,981.4</b>            | <b>26,369.4</b>            | <b>122,407.4</b> |

## Funding Source Summary

*All dollars in thousands*

| <b>Funding Sources</b>   | <b>FY2001 Actuals</b> | <b>FY2002<br/>Authorized</b> | <b>FY2003<br/>Governor</b> |
|--|-----------------------|------------------------------|----------------------------|
| 1002 Federal Receipts  | 65,147.3              | 82,255.8                     | 83,981.4                   |
| 1003 General Fund Match  | 3,251.2               | 3,037.7                      | 2,734.8                    |
| 1004 General Fund Receipts                                       | 8,863.4               | 8,235.7                      | 8,349.8                    |
| 1005 General Fund/Program Receipts                               | 877.3                 | 954.7                        | 972.0                      |
| 1007 Inter-Agency Receipts                                       | 12,522.6              | 10,673.7                     | 11,242.8                   |
| 1031 Second Injury Fund Reserve Account                          | 3,155.4               | 3,173.8                      | 3,177.6                    |
| 1032 Disabled Fishermans Reserve Account                         | 746.4                 | 1,307.8                      | 1,312.2                    |
| 1049 Training and Building Fund                                  | 581.6                 | 682.6                        | 692.7                      |
| 1053 Investment Loss Trust Fund                                  | 90.8                  |                              |                            |
| 1054 State Employment & Training Program                         | 4,468.7               | 5,150.1                      | 5,165.6                    |
| 1061 Capital Improvement Project Receipts                        |                       | 75.0                         | 157.4                      |
| 1108 Statutory Designated Program Receipts                       | 327.5                 | 638.5                        | 639.6                      |
| 1117 Vocational Rehabilitation Small Business<br>Enterprise Fund | 174.3                 | 365.0                        | 365.0                      |
| 1157 Workers Safety and Compensation<br>Administration Account   | 1,490.2               | 2,569.2                      | 3,616.5                    |
| <b>Totals</b>  | <b>101,696.7</b>      | <b>119,119.6</b>             | <b>122,407.4</b>           |

## Position Summary

| <b>Funding Sources</b> | <b>FY2002<br/>Authorized</b> | <b>FY2003<br/>Governor</b> |
|------------------------|------------------------------|----------------------------|
| Permanent Full Time    | 793                          | 852                        |
| Permanent Part Time    | 70                           | 59                         |
| Non Permanent          | 10                           | 9                          |
| <b>Totals</b>          | <b>873</b>                   | <b>920</b>                 |

**FY2003 Capital Budget Request**

| <b>Project Title</b>   | <b>General<br/>Funds</b> | <b>Federal<br/>Funds</b> | <b>Other<br/>Funds</b> | <b>Total<br/>Funds</b> |
|--|--------------------------|--------------------------|------------------------|------------------------|
| Electronic Data Interchange Expansion to the Workers' Compensation Computer System | 60,000                   | 0                        | 0                      | 60,000                 |
| Home Modifications and Assistive Technology for Individuals with Disabilities      | 200,000                  | 0                        | 0                      | 200,000                |
| <b>Department Total</b>  | <b>260,000</b>           | <b>0</b>                 | <b>0</b>               | <b>260,000</b>         |

*This is an appropriation level summary only. For allocations and the full project details see the capital budget.*

## **Overview of Departmental Budget Changes**

### **EMPLOYMENT SECURITY**

This BRU assesses and collects Unemployment Insurance (UI) tax, pays UI benefits, provides labor exchange services and provides access to state and employer sponsored training.

There is a reduction of \$750.0 of interagency receipt authorization included in the Job Training Programs component. This is the result of an administrative change that eliminated the need for an RSA and does not reflect a change in any services.

#### **Services Changes:**

The Employment Service Component will develop an automated skills inventory program for Western Alaska. This will be funded through a \$750.0 RSA from the University of Alaska.

The Job Training Programs Component will increase services to rural Alaskans through Denali Commission grants. A federal authorization increase of \$2,000.0 is included to fund these activities.

The Adult Basic Education Component will implement and focus on the new GED test beginning January 2002.

The Unemployment Insurance Component will implement employer telephonic registration that will substantially reduce the follow up required on incomplete paper registration forms.

### **ADMINISTRATIVE SERVICES**

The BRU provides fiscal and personnel management; fund accounting; administrative services; employment, wage, population, demographic and economic information; and data processing support.

### **OFFICE OF THE COMMISSIONER**

This BRU provides direction in the administration of the department's programs and facilitates the resolution of disputes between organized labor and public employers.

#### **Service Changes:**

The Alaska Human Resource Investment Council (AHRIC) will be taking over the management and technical assistance of the post secondary Carl Perkins Program going to six regional community colleges as well as taking over the management, assessment and technical assistance responsibilities for the certification of the post secondary vocational education institutions.

The AHRIC will also operate WorkStar which is an initiative by the Governor to recognize the outstanding welfare to work employers and employees. Gaining an understanding of the needs of welfare recipients moving into employment and monitoring concerns of employers are important issues for the AHRIC.

The Commissioner's Office added a Gas Pipeline Liaison position in the FY 2002 Management Plan. The position will represent the department in all inter- and intra-agency deliberations; provide liaison and outreach to external stakeholders with regard to employment and training of Alaskan workers and socio-economic impacts in general; and provide for appropriate review of mechanical, electrical and health and safety issues attendant to the application process.

## WORKERS' COMPENSATION

The BRU administers the state's Workers' Compensation Act, the Fishermen's Fund and the Second Injury Fund to aid Alaskans with employment related injuries and illnesses.

A fund source change of \$625.4 from General Funds to the Workers Safety & Compensation Administration Account is included in this budget. With the exception of a small (\$143.6) general funded grants program for preexisting injuries, this completes the conversion of this component to fee based funding.

## LABOR STANDARDS AND SAFETY

This BRU provides assistance and oversight relating to the laws governing employment practices and occupational safety and health; training, licensing or certification; and enforcement of various construction contractors, electrical and mechanical administrators, electricians, plumbers, blasters and individuals who work with toxic or hazardous substances.

A fund source change of \$343.5 from General Fund Match to the Workers Safety & Compensation Administration Account is included in this budget. This completes the conversion of federal grant matching funds from general fund match to fee based funding.

### Service Changes:

With the requested addition of two new technician positions, the Wage and Hour program anticipates improved enforcement levels of minimum wage, overtime, and child labor and public contract laws state-wide with available resources.

The Mechanical Inspection program anticipates a reduction in the inspection backlog with the requested addition of new positions. Inspections should increase by approximately 2,400 per year, with a corresponding increase in certificates issued and revenues earned.

With the requested addition of a new position, the Occupational Safety and Health (OSH) program anticipates a 10% increase in the number of cases handled in the program.

Under the FY 2003 Oil Safety and Development Initiative, OSH will take on more responsibility for monitoring and inspection of facilities associated with development and remediation of on-shore drilling sites, in order to ensure safe and healthy working conditions for employees associated with these activities.

## VOCATIONAL REHABILITATION

The BRU assists individuals with disabilities to overcome barriers to employment and encourage independence and integration into their community.

Federal authorization of \$747.9 for the Access to Alaska and \$350.0 for the Transition Initiative is being deleted as these grants are not expected in FY 2003.

## Summary of Department Budget Changes by BRU

## From FY2002 Authorized to FY2003 Governor

*All dollars shown in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>12,228.1</b>      | <b>82,255.8</b>      | <b>24,635.7</b>    | <b>119,119.6</b>   |
| <b>Adjustments which will continue current level of service:</b> |                      |                      |                    |                    |
| -Employment Security   | 20.8                 | -24.7                | 107.9              | 104.0              |
| -Administrative Services   | 19.3                 | 565.9                | 228.4              | 813.6              |
| -Office of the Commissioner                                      | 16.7                 | -80.5                | 97.2               | 33.4               |
| -Workers' Compensation   | -612.1               | 0.0                  | 672.2              | 60.1               |
| -Labor Standards and Safety                                      | -279.4               | 40.0                 | 373.8              | 134.4              |
| -Vocational Rehabilitation                                       | 32.9                 | 151.9                | 7.8                | 192.6              |
| <b>Proposed budget decreases:</b>                                |                      |                      |                    |                    |
| -Employment Security   | 0.0                  | -49.6                | -200.0             | -249.6             |
| -Administrative Services   | -26.6                | 0.0                  | -45.9              | -72.5              |
| -Vocational Rehabilitation                                       | 0.0                  | -1,115.4             | -17.6              | -1,133.0           |
| <b>Proposed budget increases:</b>                                |                      |                      |                    |                    |
| -Employment Security   | 0.0                  | 2,000.0              | 0.0                | 2,000.0            |
| -Administrative Services   | 0.0                  | 188.0                | 44.3               | 232.3              |
| -Office of the Commissioner                                      | 0.0                  | 0.0                  | 442.6              | 442.6              |
| -Labor Standards and Safety                                      | 656.9                | 50.0                 | 23.0               | 729.9              |
| <b>FY2003 Governor</b>   | <b>12,056.6</b>      | <b>83,981.4</b>      | <b>26,369.4</b>    | <b>122,407.4</b>   |



## Employment Security Budget Request Unit

**Contact: Ronald E. Hull, Director**

**Tel:** (907) 465-2712 **Fax:** (907) 465-4537 **E-mail:** Ron\_Hull@labor.state.ak.us

### BRU Mission

The mission of the Division of Employment Security is to promote employment and economic stability by responding to the needs of employers and job seekers.

### BRU Services Provided

Several programs comprise the Employment Security Division (ESD) BRU.

1) The Employment Service (ES) program provides labor exchange services for all Alaskans, matching job seekers with employers. The Vocational Counseling program prepares job seekers for employment and the Seafood Unit works with employers to promote job placement and skill development for Alaskan workers in the seafood industry. Work Services provides specialized labor exchange and case management services for recipients of both the Alaska Temporary Assistance Program (ATAP) and food stamps in order to place them in unsubsidized employment.

2) The Job Training and Work Readiness (JTWB) programs are responsible for planning, administration and grant management for the following federal programs: Workforce Investment Act of 1998 (WIA) Title I, Welfare-to-Work (WtW) grants under the Balanced Budget Act of 1997 and the State Training Employment Program (STEP), as well as administering the Denali Commission Training funds.

3) Through grantees, Adult Basic Education (ABE) provides instruction in the basic skills of reading, writing, mathematics, and General Educational Development (GED) preparation and testing with emphasis on practical life skills and integrating workplace readiness skills into instruction.

4) The Unemployment Insurance (UI) program assesses and collects employer contributions for deposit into the UI Trust Fund and pays UI benefits to workers who are temporarily unemployed.

### BRU Goals and Strategies

1) ESD has prepared and adopted a Strategic Plan to improve customer satisfaction.

- Strengthen Alaska's Job Bank (AKJB) Web Site
- Job Placements increase
- Increase Wage Replacement
- Improve New Employer Application
- Provide more quality training opportunities (Adult, Dislocated Worker, and STEP)

2) As part of our overall customer satisfaction strategic plan the division has adopted the following:

- Mission: "To exceed the expectations of Alaskan employers, workers and job seekers".
- Vision: "Simplify the delivery of ESD products to strengthen Alaskan communities".
- Values:

Bottom line: The department will be held accountable for results. The four main results we will focus on are: Increased customer satisfaction, economic stability, worker self-sufficiency and return on investment by program funders.

Customer line: Quality is defined by the customer. The customer line refers to engaging customers in helping us improve the products we provide. None of us knows what customers need and want as well as the customers themselves.

Front line: Supervisors, managers, administrators and directors must involve employees in achieving results. The front line employees have incredible insight into what customers want and don't want and know best how to make improvements.

- Motto: "Customer value every time!"

3) ESD will continue to pursue an increase to the UI weekly benefit amount to reach the federal guidelines of 50% of Alaska's average weekly wage.

- 4) ESD has the responsibility of placing unemployed workers in new jobs prior to exhaustion of their UI benefits.
  - We will continue to design and implement enhancements to the Worker Profiling and Reemployment Services (WPRS) program that serves and tracks clients.
- 5) ESD has a major role in implementing the Workforce Investment Act of 1998 (WIA).
  - The Division will continue to coordinate strategies and policy with Local Workforce Investment Boards (LWIB) and the Alaska Human Resource Investment Council (AHRIC)
  - We will continue to work with Local Advisory Councils (LAC) as key participating and planning partners for local service delivery.
- 6) ESD will maximize the use of State Employment and Training Program (STEP) funds for training Alaskans.
  - The agency is committed to getting STEP funds out as early as possible to enable grantees to have a full year to realize their goals.
  - The Division will work with the Municipality of Anchorage to maximize the use of training resources.
- 7) ESD will improve on the outcomes of the Adult Basic Education (ABE) program.
  - We will increase the number of adult learners in up to four performance areas from the FY2001 level of approximately 32 percent to 34 percent.
- 8) ESD will update and improve the UI Tax computer system and make it compatible with the UI Benefits system.
  - The Division will continue the multi-year capital improvement project to redesign the UI Tax system to enhance timeliness and accuracy of employer account maintenance.
- 9) ESD will develop a customer input tracking system.
  - Customer complaints and or praise will be electronically case managed.
- 10) The Division will increase the awareness of our services to the public.
  - A marketing campaign will be implemented to accomplish this goal.

### **Key BRU Issues for FY2002 – 2003**

- 1) The State Training and Employment Program (STEP) is scheduled to sunset. The Department will introduce legislation to continue STEP.
- 2) The Training and Vocational Education Program (TVEP) diverts money from the UI Trust Fund and has been used for capital improvements. To this point TVEP has not targeted UI eligible recipients, nor are there any performance standards attached to the current usage. With the adoption of regulations we anticipate that TVEP will complement and enhance the STEP program.
- 3) The federal Resource Justification Model (RJM) will be implemented in February 2002 and begin gathering data. This data will be used in a new formula for allocating federal funds to administer the Unemployment Insurance program. The results of the RJM will be applied for the first time when the federal FY 2004 grant budget is developed.
- 4) ABE resources may be insufficient if the high school exit exam increases the workload demand as anticipated.
- 5) ESD must continue providing employment services to an increased customer base while the Wagner-Peyser grant remains flat or decreases.
- 6) A new edition of the GED test will be implemented January 1, 2002. The electronic scoring required with this new test edition will create an additional administrative challenge and the ABE staff will address this additional workload.

7) Address the lack of employment opportunities in rural areas by focusing additional resources in local offices and coordinating with other agencies' economic development programs.

## **Major BRU Accomplishments in 2001**

### **1) Employment Services Component**

- Excluding self-service customers, 11,147 job seekers entered employment through staff efforts.
- Provided vocational counseling services to 2,838 customers, annually averaging 203 customers per employment counselor.
- Provided listings of 41,187 job openings for Alaska employers.
- Coordinated with AJCN partners to deliver employment and training services and resources through the one-stop system.
- Replaced 1/3 of all Job Center resource rooms computers and put all computers on a three-year replacement schedule.

### **2) Job Training Programs Component**

- Completed the final accounting and reporting on the Job Training Partnership Act (JTPA).
- Negotiated, awarded and administered over \$15 million in WIA Title I and Welfare to Work (WtW) funds, and over \$3.6 million in STEP financial assistance agreements.
- Provided outreach and grants for approximately \$1.8 million in special rural Denali Commission projects, which resulted in training opportunities for over 600 rural Alaska residents.

### **3) Adult Basic Education Component**

- 5,310 full-time adult learners were served through ABE programs:
- 1,291 received a GED
- 358 entered other academic or vocational programs

### **4) Unemployment Insurance Component**

- A total of \$114.4 million in unemployment benefits was paid to 51,074 insured workers.
- \$129.8 million in taxes were collected and deposited into the UI Trust Fund.
- 3,043 PFD levy requests were submitted to the Department of Revenue for a total of \$3.4 million to be applied towards fraud and non-fraud overpayments. The expected recovery will be approximately \$1.6 million.
- From the two surveys conducted in FY2001, 98 percent of the claimants responded that overall service was adequate or better.
- In August 2001, the Quality Control Unit implemented the Denied Claims Accuracy program. This Federal program requires an audit of an additional 450 denied cases per year. These cases will include monetary, separation and non-separation issues.

## **Key Performance Measures for FY2003**

### **Measure:**

The number of registered clients who enter employment after receiving services through an Alaska Job Center. Sec 87(b)(1) Ch 90 SLA 2001(HB 250)

### **Alaska's Target & Progress:**

Increase to 37% the number of registered clients who entered employment after receiving service through an Alaska Job Center. For State FY2001, 36.3% of served clients have entered employment.

### **Benchmark Comparisons:**

The benchmark was established at 31.6% by averaging the last two completed fiscal years (2000 and 2001). The percentage was lower in FY00 (28.5%) than in FY01 (34.7%), as it is economy driven. Success in reaching this target will require our adopting new and additional strategies and applying further resources to the goal.

Note: This benchmark is based on Alaska averaging because the U.S. Department of Labor did not have ES Performance Standards in prior years.

**Background and Strategies:**

Staff-assisted service is necessary to increase the probability of a registered client entering employment. Emphasis will be placed on the following strategies:

1. Staff-assisted job search support, such as referrals, resume writing, case management, interviewing techniques and other workshops and activities that will help clients enter employment;
2. Tracking of services provided in the statewide management information system;
3. Outreach to employers and rural job seekers;
4. Marketing services to employers, job seekers, and communities.
5. Surveys to employers and job seekers to gauge their satisfaction, and continuously improve services.

**Measure:**

The timeliness of initial payments to unemployment insurance claimants.  
Sec 87(b)(2) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Maintain or exceed the timeliness benchmark of 95% of the first payments issued within 35 days following the end of the first compensable week to unemployment insurance claimants. In FY2001, 97.2% of first payments were issued under these timeframes.

**Benchmark Comparisons:**

The federal performance measure is prompt payment of unemployment insurance (UI) benefits, with 95% of first payments issued within 35 days following the end of the first compensable week.

**Background and Strategies:**

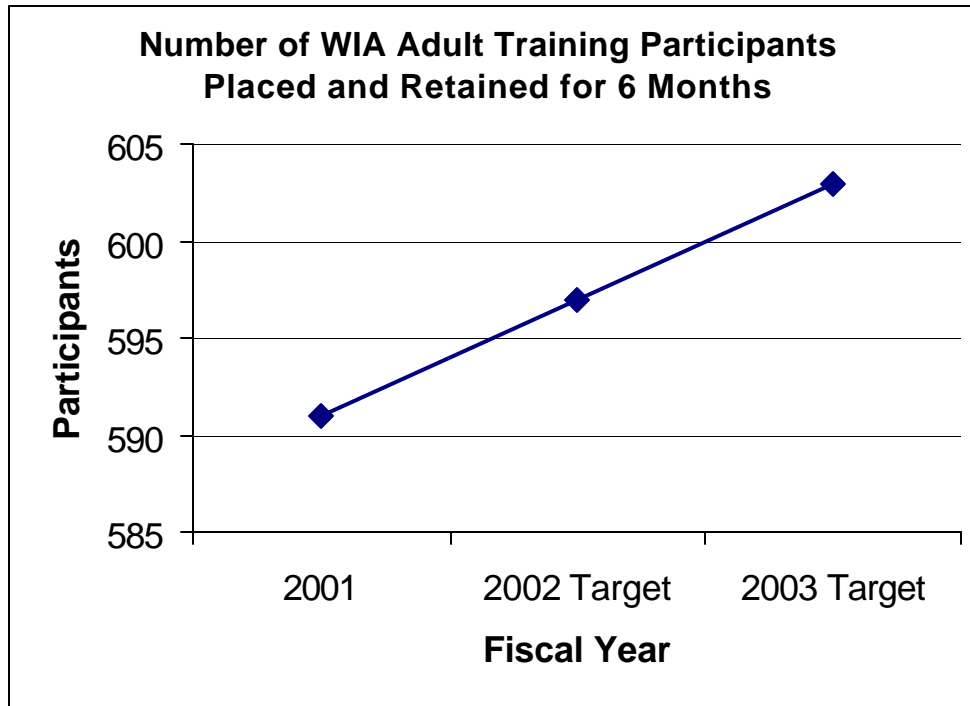
To monitor the promptness of UI benefit payments, first payment time lapse measures the number of days from the week ending date of the first compensable week in the benefit year to the date the payment is made. This includes payments made by direct deposit; mail and in-person or those used to offset prior overpayments.

Strategies planned to ensure first payment timeliness include:

- Continue development of UI Intranet to improve resources used by front line staff.
- Enhance technology to improve timeliness of data transfer for ex-service members.
- Expedite electronic out-of-state wage information requests and transfers to facilitate timely payment of benefits.

**Measure:**

The number of individuals who enter and retain employment at least six months after receiving training from the division.  
Sec 87(b)(3) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Historically, Alaska's Federal Job training program's employment and retention numbers have averaged 684 participants under the final three years of the Job Training Partnership Act, (JTPA). This is for the time period from FY98, 99 and 2000. The Workforce Investment Act (WIA) was implemented in FY2001, and our number of training participants who left the program, entered employment and were retained in that employment for at least 6 months was 591. In keeping with our federally negotiated performance standards, we propose to increase that figure by 1% in FY2002 and 1% in FY2003.

**Benchmark Comparisons:**

Because the Federal government does not require or negotiate performance standards expressed in raw numbers of participants, there is no national benchmark to emulate. For purposes of addressing this State standard, we propose to establish the performance from FY 2001 as the benchmark, as it fairly represents the first full year of WIA implementation. That benchmark would therefore be 591 participants who after training, become employed and retain their employment for at least 6 months. As with all of our USDOL performance standards, we are committed to continuous improvement, and will set a goal of a 1% increase each year.

**Background and Strategies:**

The Workforce Investment Act of 1998 requires that all States receiving Federal funds must develop measurable performance outcomes. Because of potential fluctuations in both the State and national economy, shifts in the funding levels, recisions, grant performance and carry forward, there are many variables that can affect the total number of clients served and the end results in any given year. The Federal government recognizes this, and therefore does not use this as a set performance standard.

This performance measure is based on the number of clients and was proposed by the Legislature in FY2002. Both the Division and USDOL believe that measurable performance measures should be based on percentages not numbers of clients. The Division has addressed the WIA performance measures based on percentages in section

87(b)(4) and 87(b)(5). Since this performance measure does not lend itself to useful or meaningful evaluation and we have addressed the WIA program issue with two other performance measures based on percentages, we recommend that this performance measure be deleted.

**Measure:**

The percentage of eligible WIA Adult Job Training participants who are placed into full-time unsubsidized jobs.  
Sec 87(b)(4) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**



Increase the employment percentage goal to 66% placement into full time, unsubsidized jobs of eligible WIA Title I Adult Job Training participants. For FY02 and FY03 the employment goals for Adult WIA Title I participants will be measured against the Federal U.S. Department of Labor negotiated performance standards under the WIA. Historically, Alaska's program employment percentage has been 60.8% of WIA Title I Adult participants placed into full time unsubsidized jobs. During FY 01 Alaska achieved an overall percentage of 60% of all WIA Title I funded adults placed into full time, unsubsidized jobs.

**Benchmark Comparisons:**

For FY02, the target national employment percentage average of Adult WIA Title I participants placed into full time unsubsidized jobs is 65%. The USDOL performance standards are committed to continuous improvement, with a goal of a 1 % increase each year.

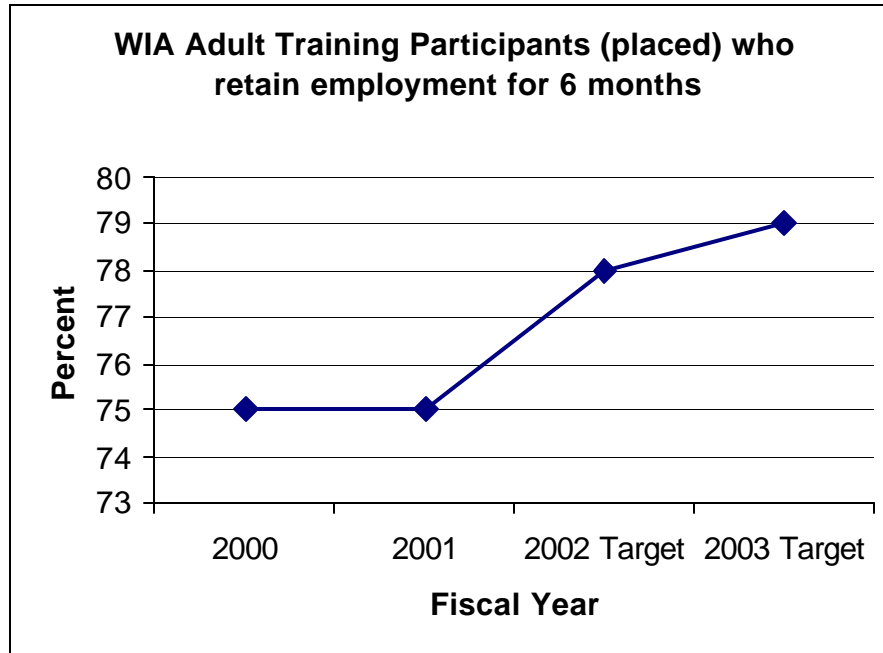
**Background and Strategies:**

The Workforce Investment Act of 1998 requires that all States receiving Federal funds must develop measurable performance outcomes. This measure is consistent with the Federal direction and expectations.

Alaska has developed appropriate job training, placement and retention strategies under the WIA State Unified Plan, to enable staff and selected service providers to successfully serve Alaska's unemployed and underemployed workers. Since 1999, the USDOL, Employment and Training Administration requires that each state negotiate a reasonable percent of increase in employment goals for the years FY 01, 02, and 03. Each state would choose a benchmark year and the aim would be to increase the goals attained annually.

**Measure:**

The percentage of WIA Adult Job Training participants who retain work for at least six months.  
Sec 87(b)(5) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

For FY02 and FY03, the employment goals for Adult WIA Title I participants will be measured against the Federal U.S. Department of Labor negotiated performance standards under the WIA. Historically, Alaska's program employment percentage has been 60.8% of WIA Title I Adult participants placed into full time unsubsidized jobs. Of this 60.8%, 75.5% have retained work for at least 6 months. During FY 01, Alaska achieved an overall percentage of 60% of all WIA Title I funded adults placed into full time, unsubsidized jobs, and 75% retained work for six months.

**Benchmark Comparisons:**

For FY02, the national employment percentage average of Adult WIA Title I participants placed into full time unsubsidized jobs is 65%. Of this 65%, 78% have retained work for at least 6 months. The USDOL performance standards are committed to continuous improvement, with a goal of a 1% increase each year. The FY03 target will be 79% of those placed into full time unsubsidized jobs will retain work for at least 6 months.

**Background and Strategies:**

The Workforce Investment Act of 1998 requires that all States receiving Federal funds must develop measurable performance outcomes. This performance measure is consistent with the Federal direction and expectations.

Alaska has developed appropriate job training, placement and retention strategies under the WIA State Unified Plan, to enable staff and selected service providers to successfully serve Alaska's unemployed and underemployed workers. Since 1999, the USDOL, Employment and Training Administration requires that each state negotiate a reasonable percent of increase in employment goals for the years FY 01, 02, and 03. Each state would choose a benchmark year and the aim would be to increase the goals attained annually.

**Measure:**

The percentage of survey respondents rating the UI services as adequate or higher.  
Sec 87(b)(6) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Maintain or exceed the level of customer satisfaction, with 90% of survey respondents rating overall service as adequate or better. From the two surveys conducted in FY2001, 98% of the claimants responded that overall service was adequate or better.

**Benchmark Comparisons:**

Currently there are no federal standards or national benchmarks to compare surveys against other states. Surveys have been and will continue to be designed to achieve statistical reliability of 95%.

**Background and Strategies:**

Randomly survey unemployment insurance claimants to monitor satisfaction with benefits program and services received.

Strategies planned to ensure high level of customer satisfaction include:

- Continue biannual customer satisfaction surveys to measure level of service and to explore avenues for expansion of services.
- Develop a web based customer satisfaction database. This will improve the analysis of information provided by customers to help identify opportunities for improvement.

**Measure:**

The number of employers who are satisfied with the public labor exchange services they received.  
Sec 87(b)(7) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Ensure that at least 65% of all employers who use the public labor exchange services are satisfied with the service they received. We are currently building surveys that will be implemented by 7/01/02, to comply with newly established Wagner-Peyser performance measures.

**Benchmark Comparisons:**

Of all employers that use the public labor exchange, 65% is the desired satisfaction level for the Wagner Peyser grant, which primarily funds the public labor exchange. This level is mandated by the Workforce Investment Act (WIA), which primarily funds training programs.

**Background and Strategies:**

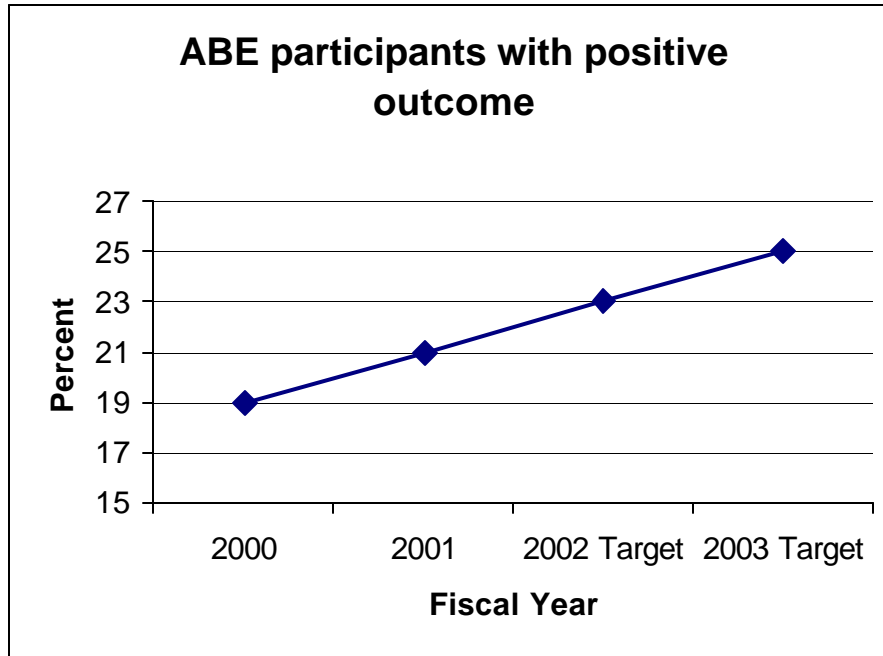
A survey will be developed during FY02 for implementation at the start of FY03.



**Measure:**

Increase the percentage of Adult Basic Education students who get a GED, find or retain a job, advance to higher education/vocational training, or advance in educational levels to a combined 25%.

(Not yet addressed by Legislature)

**Alaska's Target & Progress:**

For FY 00, 01, and 02 the percentage of full-time Adult Basic Education clients will be measured against the FY 99 average benchmark of 19%. The goal is a 2% increase each year in each of the following positive outcomes:

- 1) Obtaining a GED;
- 2) Finding or retaining employment;
- 3) Advancing to higher education or vocational training; or
- 4) Advancing in one or more educational levels.

**Benchmark Comparisons:**

The FY99 average benchmark is 19%, which was derived from the statewide number of full-time Adult Education clients who achieved one of the positive outcomes. Of the total number of FY99 clients enrolled, 29% earned a GED, 10% found or retained a job, 8% advanced to higher education or vocational training, and 31% advanced two educational levels.

**Background and Strategies:**

Title II, Adult Education and Family Literacy of the Workforce Investment Act of 1998 requires that Adult Education programs receiving Federal funds must develop positive outcomes in the categories listed above.

Since 1998 the U.S. Department of Education, Office of Vocational and Adult Education (OVAE) requires that each state negotiate a reasonable percent of increase in measurable outcomes for the years FY 00, 01, and 02. Alaska chose FY99 as its benchmark year with the aim to increase the goals attained by 2% annually.

All local Adult Education programs in Alaska met in Anchorage twice in FY98 to develop a set of student performance standards that included the measurable outcomes. These standards were reviewed and sanctioned by the State Board of Education (ABE was located in Department of Education in FY98) and OVAE. They have since been revised to accommodate changes brought about by the Workforce Investment Act.

The goal of 25% attainment of the combined positive outcomes is again offered as a meaningful Performance Measure for the Adult Basic Education program in 2003.

**Employment Security**  
**BRU Financial Summary by Component**

*All dollars in thousands*

|                                | General<br>Funds | FY2001 Actuals<br>Federal<br>Funds | Other<br>Funds  | Total<br>Funds  | General<br>Funds | FY2002 Authorized<br>Federal<br>Funds | Other<br>Funds  | Total<br>Funds  | General<br>Funds | FY2003 Governor<br>Federal<br>Funds | Other<br>Funds  | Total<br>Funds  |
|--------------------------------|------------------|------------------------------------|-----------------|-----------------|------------------|---------------------------------------|-----------------|-----------------|------------------|-------------------------------------|-----------------|-----------------|
| <b>Formula</b>                 |                  |                                    |                 |                 |                  |                                       |                 |                 |                  |                                     |                 |                 |
| <b>Expenditures</b>            |                  |                                    |                 |                 |                  |                                       |                 |                 |                  |                                     |                 |                 |
| None.                          |                  |                                    |                 |                 |                  |                                       |                 |                 |                  |                                     |                 |                 |
| <b>Non-Formula</b>             |                  |                                    |                 |                 |                  |                                       |                 |                 |                  |                                     |                 |                 |
| <b>Expenditures</b>            |                  |                                    |                 |                 |                  |                                       |                 |                 |                  |                                     |                 |                 |
| Employment Services            | 0.0              | 10,916.8                           | 1,480.2         | 12,397.0        | 45.0             | 13,002.7                              | 3,754.7         | 16,802.4        | 54.2             | 13,011.2                            | 5,249.7         | 18,315.1        |
| Unemployment Insurance         | 0.0              | 15,522.1                           | 308.6           | 15,830.7        | 0.0              | 17,616.5                              | 451.4           | 18,067.9        | 0.0              | 17,505.1                            | 483.4           | 17,988.5        |
| Job Training Programs          | 0.0              | 0.0                                | 0.0             | 0.0             | 537.4            | 22,450.6                              | 7,304.3         | 30,292.3        | 547.1            | 24,369.9                            | 5,685.2         | 30,602.2        |
| Work Services                  | 133.8            | 0.0                                | 1,455.5         | 1,589.3         | 0.0              | 0.0                                   | 0.0             | 0.0             | 0.0              | 0.0                                 | 0.0             | 0.0             |
| Job Training Partnership Act   | 26.8             | 9,588.8                            | 1,783.6         | 11,399.2        | 0.0              | 0.0                                   | 0.0             | 0.0             | 0.0              | 0.0                                 | 0.0             | 0.0             |
| Statewide Service Delivery     | 466.4            | 5,558.4                            | 2,679.1         | 8,703.9         | 0.0              | 0.0                                   | 0.0             | 0.0             | 0.0              | 0.0                                 | 0.0             | 0.0             |
| State Training Employment Prog | 0.0              | 0.0                                | 4,468.7         | 4,468.7         | 0.0              | 0.0                                   | 0.0             | 0.0             | 0.0              | 0.0                                 | 0.0             | 0.0             |
| Adult Basic Education          | 1,737.5          | 832.6                              | 0.0             | 2,570.1         | 1,737.6          | 862.2                                 | 0.0             | 2,599.8         | 1,739.5          | 971.5                               | 0.0             | 2,711.0         |
| <b>Totals</b>                  | <b>2,364.5</b>   | <b>42,418.7</b>                    | <b>12,175.7</b> | <b>56,958.9</b> | <b>2,320.0</b>   | <b>53,932.0</b>                       | <b>11,510.4</b> | <b>67,762.4</b> | <b>2,340.8</b>   | <b>55,857.7</b>                     | <b>11,418.3</b> | <b>69,616.8</b> |

## Employment Security

### Proposed Changes in Levels of Service for FY2003

1) Employment Service Component

- Proposed automated skills inventory program for Western Alaska.

2) Job Training Programs Component

- Increase services to rural Alaskans through Denali Commission grants.

3) Adult Basic Education Component

- Implementation and focus on the new GED test beginning January 2002.

4) Unemployment Insurance Component

- Implementation of employer telephonic registration will substantially reduce the follow up required on incomplete paper registration forms.

## Employment Security

### Summary of BRU Budget Changes by Component

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>2,320.0</b>       | <b>53,932.0</b>      | <b>11,510.4</b>    | <b>67,762.4</b>    |
| <b>Adjustments which will continue current level of service:</b> |                      |                      |                    |                    |
| -Employment Services   | 9.2                  | 58.1                 | 1,595.0            | 1,662.3            |
| -Unemployment Insurance  | 0.0                  | -111.4               | 132.0              | 20.6               |
| -Job Training Programs   | 9.7                  | -80.7                | -1,619.1           | -1,690.1           |
| -Adult Basic Education   | 1.9                  | 109.3                | 0.0                | 111.2              |
| <b>Proposed budget decreases:</b>                                |                      |                      |                    |                    |
| -Employment Services   | 0.0                  | -49.6                | -100.0             | -149.6             |
| -Unemployment Insurance  | 0.0                  | 0.0                  | -100.0             | -100.0             |
| <b>Proposed budget increases:</b>                                |                      |                      |                    |                    |
| -Job Training Programs   | 0.0                  | 2,000.0              | 0.0                | 2,000.0            |
| <b>FY2003 Governor</b>   | <b>2,340.8</b>       | <b>55,857.7</b>      | <b>11,418.3</b>    | <b>69,616.8</b>    |

## **Component: Employment Services**

**Contact: Ronald E. Hull, Director**

**Tel:** (907) 465-2712 **Fax:** (907) 465-4537 **E-mail:** Ron\_Hull@labor.state.ak.us

### **Component Mission**

To exceed the expectations of Alaskan employers, workers and job seekers in providing labor exchange services matching job seekers with employers.

### **Component Services Provided**

All services are related to labor exchange and employment assistance.

1) The Wagner-Peyser Act and the Workforce Investment Act (WIA) of 1998 mandate that the Employment Security Division (ESD) provide employment services to Alaska's universal population - all employers, workers, and job seekers. This mandate offers the state's largest public labor exchange for employers and job seekers. The following services are included:

- List vacancies for employers (job orders).
- Connect qualified job seekers with employer vacancies.
- Furnish interview facilities.
- Provide reemployment services to Unemployment Insurance (UI) clients, job seekers, dislocated workers, and veterans.

2) Offer initial information and resources that permit job seekers to decide if they are ready for work or if they need other services such as counseling, training, or unemployment insurance. Job listings allow job seekers to self-screen by providing sufficient job requirements and most allow qualified applicants to self-refer by providing the employers' contact instructions. In each Alaska Job Center Network (AJCN) one-stop office, Wagner-Peyser and WIA provide for delivery of the following employment services:

- Assist employers in recruiting, identifying applicants and screening for employers' requirements.
- Update businesses with current information on wages, worker availability and labor market conditions.
- Advise employers on legal hiring, interviewing and employment practices.
- Greet job seekers and guide them to appropriate services including training, vocational counseling or other public or private services such as public assistance and vocational rehabilitation.
- Refer job seekers to job interviews.
- Provide labor market information, public resource areas and equipment for employers to screen and interview applicants, and for job seekers to create resumes, learn software programs and conduct other job search activities.
- Present skill-building workshops on work search and interviewing techniques, resume' writing, and completing applications, work ethics, and employer expectations.
- Assist Alaska businesses to retain and re-train valuable incumbent workers.

3) Specialized labor exchange and case management services are provided to recipients of ATAP benefits and food stamps in order to transition them to, and place them in, unsubsidized employment. In a partnership, the Departments of Labor and Workforce Development (DOL) and Health and Social Services (H&SS) jointly staff and provide services in Anchorage, Fairbanks, Kenai, Ketchikan, Juneau and Mat-Su. Services provided by DOL staff include:

- Employability assessment and testing.
- Employment counseling and planning.
- Job search, development, referral and placement.
- Case management.
- Referral to training, adult basic education and work experience activities, and supportive services such as transportation and child care.
- Development of job openings for public assistance clients and market the benefits of hiring ATAP clients to employers.

4) Identify unemployed workers who have a high probability of exhausting their UI benefits and quickly linking them to

reemployment services that help them return to work as soon as possible.

- Assess the employability of profiled UI clients.
- Determine which reemployment services will best prepare profiled clients to return to suitable work and assist them in developing individual reemployment plans.
- Schedule and follow up on reemployment services progress.

5) Vocational Counseling Program: vocational counselors provide comprehensive counseling and assessment services with staff located in Anchorage, Fairbanks, Juneau, Kenai, Ketchikan, Mat-Su, and Nome. Scheduled itinerant counseling is provided to the Bethel, Dillingham, Glennallen, Homer, Kodiak, Kotzebue, Petersburg, Seward, Sitka, Tok, and Valdez one-stop offices and to rural villages including Naknek, Nulato, Mentasta, Minto, Circle, Healy, Delta Junction, Barrow, Fort Yukon, Tanacross, Northway, Kaltag, and Galena. Services include:

- Assistance with work-related choice, change or adjustment; handling stress due to job loss; awareness of employer expectations; work ethics; and job search skills training.
- Assessments of clients' abilities, interests, personality traits, transferable skills, literacy skills, and work values.
- Completion of an employment plan and, based upon plan steps, assisting clients to achieve employment goals through job placement, job development, job search skills training, referral for services, and/or formal training.
- Intensive follow-up support is available.

6) Special Initiatives - Seafood Employment:

- Work with employers to promote job placement and skill development for Alaskan workers in the seafood industry.
- Provide group orientations for applicants.
- Screen applicants according to employer criteria.
- List job openings, advertise and participate in recruitment and job fair activities.
- Promote seafood jobs as a positive option for public assistance recipients.
- Continue expanding means to efficiently move experienced workers from one processing site to another as demand shifts from species to species, fishing ground to fishing ground.

7) Administer employment and training programs made possible by specific federal appropriations.

- Priority service to veterans through the Disabled Veterans' Outreach Program and the Local Veterans' Employment Representatives program.
- Foreign Labor Certification.
- Trade Adjustment Assistance (TAA).
- North American Free Trade Agreement--Trade Adjustment Assistance (NAFTA--TAA).
- Trade Readjustment Allowances (TRA) for income support while clients attend TAA or NAFTA sponsored training.
- Worker Profiling and Reemployment Services.
- Work Opportunity Tax Credits (WOTC) and Welfare-to-Work (WtW).

8) Offer comprehensive case management services to public assistance welfare-to-work recipients in rural or isolated communities in Glennallen, Homer, Kodiak, Nome, Tok, and Valdez job centers through reimbursable service agreements with the DHSS, Division of Public Assistance (DPA).

## Component Goals and Strategies

1) Implement the Division's Strategic Planning model that defines priority outcomes and measures, and determines targets for priority outcomes.

- Improve the Alaska Job Bank to increase employer and job seeker customer satisfaction.
- Develop a universal calculation formula to measure job placements for Employment Services and Job Training Programs.

2) Increase usability and visibility of services to our customers.

Employers:

- Market the on-line job order form that allows employers to post job orders directly to Alaska's Job Bank through DOL

mainframe computer via Internet.

- Market employment services to employers and promote the benefits of using them.
- Implement a customer survey to gauge employer satisfaction and improve services.
- Market to employers the benefits of and resources for incumbent worker and retraining services.
- Continue to coordinate with employers to form strong Local Advisory Councils (LAC) as required by the Workforce Investment Act (WIA) and state legislation (HB40) that consolidated several state programs.

#### Job Seekers:

- Increase employment services available to all Alaskans via Internet and at their local One-stop Job Centers.
- Implement a customer survey to gauge job seeker satisfaction and continuously improve services.
- Offer job seekers the opportunity to self-register via the Internet.
- Continue and improve priority service and placement to veterans.
- Deliver employment services on three levels: self-service; group orientations and workshops; and, one-on-one assistance to accommodate the needs and preferences of all job seekers.

#### 3) ES will assist DPA in moving clients off of public assistance and into jobs.

- ES will provide intensive employment services to public assistance clients in a combined effort with Division of Public Assistance (DPA) to move clients off of public assistance and into the workforce. The Department of Health and Social Services, DPA, through a Reimbursable Services Agreement (RSA), determines the specific goals and strategies.

#### 4) ES will continue to play an important role in ensuring the success of AJCN offices and assist in apportioning the costs of the common use areas.

- Continue to develop cost sharing and allocation agreements with partners for improving, staffing and maintaining efficiency of one-stops.
- Work with Local Advisory Councils (LACs), Local Workforce Investment Boards (LWIBs) and State Workforce Investment Board (SWIB) to certify each of the 22 AJCN offices as a full service, satellite or affiliate one-stop centers.

#### 5) ES is committed to making the Workforce Investment Act successful for Alaskans.

- We will continue to work with LWIBs and LACs as a key participant and planning partner for local service delivery in the workforce development plan.

#### 6) ES has the responsibility for maintaining the same level of services with flat funded grants.

- We will explore alternative funding strategies to maintain levels of service, as federal participation remains flat.
- We will apply for grants that will pay for specific services.

#### 7) Meet or exceed U.S. Department of Labor Veterans' performance standards.

- A Statewide Veterans Coordinator will manage these services in order to exceed the federal standard of referrals and services to veterans.

#### 8) ES has key responsibility in moving job seekers off of UI benefits and back into new jobs.

- ES will continue to enhance the Reemployment Services program client scheduling and tracking system.

### **Key Component Issues for FY2002 – 2003**

#### 1) Provide employment services to more customers while Wagner-Peyser funding remains flat or decreases.

#### 2) Address the lack of employment opportunities in rural areas by providing a skills inventory of western Alaska for use by the University, Denali Commission, state agencies and contractors bidding on capital projects.

#### 3) Align service delivery and reporting methods for the new Wagner-Peyser performance measures.

- 4) Convert the occupational coding systems from the Dictionary of Occupational Titles to the Standard Occupational Classification system per a Federal directive.
- 5) Address the needs of public assistance clients in order to help them overcome substantial barriers to employment.
- 6) Integrate the Malcolm Baldrige strategic management plan into administration and management of employment services programs.
- 7) Negotiate funding to establish a cost allocation and standard computer replacement schedule for the three-year-old computers that are in the AJCN one-stop office resource rooms.

### **Major Component Accomplishments in 2001**

- 1) Listed 41,187 job openings, a 9% increase from the prior year, for employers who chose to use department services.
- 2) Having received staff assisted employment services through the Alaska Job Center Network, 11,147 job seekers entered employment, a 5% increase over the prior year.
  - ES provides the capability for job seekers to refer themselves and apply for jobs listed on Alaska's Job Bank without staff assistance. No statistics are gathered for these self-service activities and successful job placements are not recorded.
- 3) Expanded availability and access to services in all areas of Alaska by improving the use of internet technology. Added links and functions to employer internet web sites to provide updated information, employer handbook and an interactive job order form for ease of use by employers.
- 4) Relocated and remodeled ES offices in Homer, Seward, and Nome to better coordinate and integrate with Alaska's One-Stop Career Center System. Co-locating the Seward Job Center with AVTEC incorporated a one-person office with additional resources and partner staff effectively leveraging the services available to our customers.
- 5) Met or exceeded U.S. Department of Labor veterans standards for referrals and services.
- 6) Offered vocational counseling services to 2,833 customers, averaging 203 per counselor annually.
- 7) Processed 156 requests for Trade Adjustment Assistance (TAA) determinations and approved 59 requests for training, job search allowances, and relocation allowances for Alaskans who lost work and qualified for TAA.
- 8) Processed 81 North American Free Trade Agreement (NAFTA) determinations and approved 19 requests for training, job search allowances, and relocation allowances for Alaskans who lost work and qualified for NAFTA-TAA.
- 9) Allocated \$371,075 of Trade Readjustment Allowance (TRA) payments to qualified Alaskans, representing 1,425 weeks of benefits.
- 10) Processed 1,129 Work Opportunity Tax Credit (WOTC) applications of which 613 were certified, the remainder not meeting eligibility criteria.
- 11) Designed and implemented an Access database to automate the WOTC record keeping system for federal reporting purposes.
- 12) Completed major enhancements to the TAA/NAFTA-TAA Access database, which included developing an applicant identifier to comply with federal reporting changes.
- 13) Created policies for Workplace Alaska, Fish & Game, and Correctional Officer postings on the Alaska's Job Bank.
- 14) Completed all phases of the WPRS Significant Improvements Grant Project. Established new worker profiling formula and method of implementation. Revised WPRS reports for internal management use and federal reporting.



15) Traveling seafood workforce (TSW) program enables seafood workers to remain employed for a longer period of time by transferring workers to different work sites. The 2001 TSW assisted 24 seafood employers to move 218 workers to different work sites. This was triple the 70 workers moved the previous year.

### **Statutory and Regulatory Authority**

#### 1) Federal

- Social Security Act
- Wagner-Peyser Act
- Workforce Investment Act of 1998
- Trade Act of 1974
- North American Free Trade Agreement of 1993
- Ticket to Work and Work Incentives Improvement Act of 1999
- 7 CFR 273.7
- 20 CFR Chapter V

#### 2) State

- AS 23.20
- AS 47.27.035
- 8 AAC 85

## Employment Services

### Component Financial Summary

All dollars in thousands

|  | FY2001 Actuals  | FY2002 Authorized | FY2003 Governor |
|--|-----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>                |                 |                   |                 |
| <b>Component Expenditures:</b>             |                 |                   |                 |
| 71000 Personal Services                    | 8,574.8         | 10,092.6          | 11,552.5        |
| 72000 Travel                               | 249.0           | 332.0             | 403.0           |
| 73000 Contractual                          | 2,032.7         | 3,208.7           | 3,979.0         |
| 74000 Supplies                             | 379.3           | 229.4             | 440.9           |
| 75000 Equipment                            | 172.6           | 285.0             | 85.0            |
| 76000 Land/Buildings                       | 0.0             | 0.0               | 0.0             |
| 77000 Grants, Claims                       | 988.6           | 2,654.7           | 1,854.7         |
| 78000 Miscellaneous                        | 0.0             | 0.0               | 0.0             |
| <b>Expenditure Totals</b>                  | <b>12,397.0</b> | <b>16,802.4</b>   | <b>18,315.1</b> |
| <b>Funding Sources:</b>                    |                 |                   |                 |
| 1002 Federal Receipts                      | 10,916.8        | 13,002.7          | 13,011.2        |
| 1003 General Fund Match                    | 0.0             | 45.0              | 45.3            |
| 1004 General Fund Receipts                 | 0.0             | 0.0               | 8.9             |
| 1007 Inter-Agency Receipts                 | 772.2           | 2,553.8           | 3,872.3         |
| 1049 Training and Building Fund            | 581.6           | 682.6             | 692.7           |
| 1054 State Employment & Training Program   | 0.0             | 90.0              | 255.3           |
| 1108 Statutory Designated Program Receipts | 126.4           | 428.3             | 429.4           |
| <b>Funding Totals</b>                      | <b>12,397.0</b> | <b>16,802.4</b>   | <b>18,315.1</b> |

### Estimated Revenue Collections

| Description                           | Master Revenue Account | FY2001 Actuals  | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------------|------------------------|-----------------|-------------------|----------------------|-----------------|-----------------|
| <b>Unrestricted Revenues</b>          |                        |                 |                   |                      |                 |                 |
| Training & Building Fund              | 51155                  | 581.6           | 682.6             | 682.6                | 692.7           | 692.7           |
| <b>Unrestricted Total</b>             |                        | <b>581.6</b>    | <b>682.6</b>      | <b>682.6</b>         | <b>692.7</b>    | <b>692.7</b>    |
| <b>Restricted Revenues</b>            |                        |                 |                   |                      |                 |                 |
| Federal Receipts                      | 51010                  | 10,916.8        | 13,002.7          | 13,022.2             | 13,011.2        | 13,011.2        |
| Interagency Receipts                  | 51015                  | 772.2           | 2,553.8           | 3,153.8              | 3,872.3         | 3,872.3         |
| Statutory Designated Program Receipts | 51063                  | 126.4           | 428.3             | 428.3                | 429.4           | 429.4           |
| State Employment and Training Program | 51394                  | 0.0             | 90.0              | 250.0                | 255.3           | 255.3           |
| <b>Restricted Total</b>               |                        | <b>11,815.4</b> | <b>16,074.8</b>   | <b>16,854.3</b>      | <b>17,568.2</b> | <b>17,568.2</b> |
| <b>Total Estimated Revenues</b>       |                        | <b>12,397.0</b> | <b>16,757.4</b>   | <b>17,536.9</b>      | <b>18,260.9</b> | <b>18,260.9</b> |

## Employment Services

### Proposed Changes in Levels of Service for FY2003

- Develop an automated worker skills inventory program to serve Western Alaska as well as Statewide, which will match job seekers skills with local employment opportunities. The information in this system will be made available to other state agencies, native organizations, and private employers.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

All dollars in thousands

|   | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>  | <b>45.0</b>          | <b>13,002.7</b>      | <b>3,754.7</b>     | <b>16,802.4</b>    |
| <b>Adjustments which will continue current level of service:</b>                                      |                      |                      |                    |                    |
| -Transfer Excess Federal Authorization from Empls Svcs to Labor Market Info ADN 0720001               | 0.0                  | -600.0               | 0.0                | -600.0             |
| -Transfer I/A Auth from Job Training Programs to Employment Services ADN 0721009                      | 0.0                  | 0.0                  | 600.0              | 600.0              |
| -Transfer Federal Auth from Job Training Programs to Employment Service ADN 0721010                   | 0.0                  | 20.0                 | 0.0                | 20.0               |
| -Transfer Federal & STEP Auth from Job Training Programs to Employment Services ADN 0721011           | 0.0                  | 160.0                | 160.0              | 320.0              |
| -Transfer Federal Auth from Employment Services to Job Training Programs ADN 0721012                  | 0.0                  | -95.0                | 0.0                | -95.0              |
| -Transfer Federal Auth from Unemployment Insurance to Employment Services ADN 0721013                 | 0.0                  | 477.4                | 0.0                | 477.4              |
| -Transfer Federal Auth from Job Training Programs to Employment Services ADN 0721014                  | 0.0                  | 57.1                 | 0.0                | 57.1               |
| -Year 3 Labor Costs - Net Change from FY2002  | 0.3                  | 200.0                | 85.0               | 285.3              |
| -Transfer federal authorization from Employment Services to Adult Basic Education                     | 0.0                  | -107.0               | 0.0                | -107.0             |
| -Transfer 1 PFT from Employment Services to Unemployment Insurance program                            | 0.0                  | -54.4                | 0.0                | -54.4              |
| -Transfer I/A Auth from Job Training to Employ Svcs for the Automated Worker Skills Inventory Program | 0.0                  | 0.0                  | 750.0              | 750.0              |
| -Transfer Seward Rent Funds Back from DOA to Employment Services                                      | 8.9                  | 0.0                  | 0.0                | 8.9                |
| <b>Proposed budget decreases:</b>   |                      |                      |                    |                    |

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| -Decrease I/A authority in<br>Employment Services  | 0.0                  | 0.0                  | -100.0             | -100.0             |
| -Delete Temporary PCN 07-N078 as<br>Position Ended | 0.0                  | -49.6                | 0.0                | -49.6              |
| <b>FY2003 Governor</b>                             | <b>54.2</b>          | <b>13,011.2</b>      | <b>5,249.7</b>     | <b>18,315.1</b>    |

## Employment Services

## Personal Services Information

|               | Authorized Positions               |                                  | Personal Services Costs        |                   |
|---------------|------------------------------------|----------------------------------|--------------------------------|-------------------|
|               | <u>FY2002</u><br><u>Authorized</u> | <u>FY2003</u><br><u>Governor</u> |                                |                   |
| Full-time     | 154                                | 186                              | Annual Salaries                | 8,789,509         |
| Part-time     | 25                                 | 17                               | COLA                           | 196,847           |
| Nonpermanent  | 0                                  | 1                                | Premium Pay                    | 0                 |
|               |                                    |                                  | Annual Benefits                | 3,174,163         |
|               |                                    |                                  | Less 5.00% Vacancy Factor      | (608,026)         |
|               |                                    |                                  | Lump Sum Premium Pay           | 0                 |
| <b>Totals</b> | <b>179</b>                         | <b>204</b>                       | <b>Total Personal Services</b> | <b>11,552,493</b> |

## Position Classification Summary

| Job Class Title               | Anchorage | Fairbanks | Juneau    | Others    | Total      |
|-------------------------------|-----------|-----------|-----------|-----------|------------|
| Accounting Spvr II            | 0         | 0         | 1         | 0         | 1          |
| Accounting Tech II            | 0         | 0         | 2         | 0         | 2          |
| Accounting Tech III           | 0         | 0         | 1         | 0         | 1          |
| Administrative Assistant      | 1         | 1         | 3         | 0         | 5          |
| Administrative Clerk I        | 0         | 1         | 1         | 0         | 2          |
| Administrative Clerk II       | 2         | 0         | 0         | 0         | 2          |
| Administrative Clerk III      | 0         | 0         | 2         | 0         | 2          |
| Administrative Manager IV     | 0         | 0         | 1         | 0         | 1          |
| Asst Dir Employ Security      | 0         | 0         | 1         | 0         | 1          |
| Dep Dir ESD                   | 0         | 0         | 1         | 0         | 1          |
| Division Director             | 0         | 0         | 1         | 0         | 1          |
| Employ Counselor I            | 0         | 2         | 0         | 1         | 3          |
| Employ Counselor II           | 6         | 0         | 2         | 6         | 14         |
| Employ Counselor III          | 0         | 0         | 1         | 0         | 1          |
| Employ Sec Analyst I          | 0         | 0         | 3         | 0         | 3          |
| Employ Sec Analyst II         | 0         | 0         | 6         | 0         | 6          |
| Employ Sec Analyst III        | 0         | 0         | 7         | 0         | 7          |
| Employ Sec Spec IA            | 11        | 5         | 2         | 16        | 34         |
| Employ Sec Spec IB            | 31        | 11        | 4         | 31        | 77         |
| Employ Sec Spec II            | 1         | 0         | 1         | 1         | 3          |
| Employ Sec Spec III           | 3         | 1         | 0         | 1         | 5          |
| Employ Sec Spec IV            | 1         | 1         | 0         | 0         | 2          |
| Employment Service Manager II | 0         | 0         | 0         | 2         | 2          |
| Employment Service Mgr I      | 0         | 0         | 0         | 9         | 9          |
| Employment Service Mgr III    | 0         | 0         | 1         | 4         | 5          |
| Employment Service Mgr IV     | 1         | 1         | 0         | 0         | 2          |
| Micro/Network Tech I          | 1         | 0         | 0         | 0         | 1          |
| Prog Coordinator              | 0         | 0         | 6         | 0         | 6          |
| Program Budget AnalystIII     | 0         | 0         | 1         | 0         | 1          |
| Program Services Aide         | 1         | 0         | 0         | 0         | 1          |
| Project Coord                 | 1         | 0         | 0         | 0         | 1          |
| Secretary                     | 0         | 0         | 1         | 0         | 1          |
| Spec Asst To The Comm I       | 0         | 0         | 1         | 0         | 1          |
| <b>Totals</b>                 | <b>60</b> | <b>23</b> | <b>50</b> | <b>71</b> | <b>204</b> |

## **Component: Unemployment Insurance**

**Contact: Ronald E. Hull, Director**

**Tel:** (907) 465-2712 **Fax:** (907) 465-4537 **E-mail:** Ron\_Hull@labor.state.ak.us

### **Component Mission**

To exceed the expectations of Alaskan employers, workers and job seekers by providing a safety net during periods of involuntary unemployment.

### **Component Services Provided**

#### **1) Benefit payments:**

- Provide partial income replacement (currently at 28.7% of Alaska's average weekly wage) to insured workers during periods of unemployment.
- Provide a convenient and efficient means for clients to apply for Unemployment Insurance (UI) benefits.
- Provide due process rights when determining program eligibility and require an independent tribunal to hear and decide appeals of eligibility determinations.
- Secure Federal Unemployment Tax Act (FUTA) credits for Alaskan employers by remaining in compliance with federal law. Employers receive credit allowances against the federal unemployment tax for contributions paid into an approved state unemployment fund. Compliance results in an employer tax rate of .8% instead of 6.2% of the first \$7,000 of covered wages.
- Reduce the duration of unemployment benefits claimed by accurately registering workers in a job matching system and enforcing participation in reemployment services to return displaced Alaskan workers to employment.

#### **2) Revenue Collection:**

- Classify employers who may be required to contribute to the Alaska UI Trust fund and determine employer tax rates under a statutory based experience-rating system.
- Collect contributions from employers for the payment of unemployment benefits.
- Maintain accounting records of all contributions submitted by employers and deposit contributions into the Alaska UI Trust Fund as required by state and federal statutes.
- Apply statutory liens, levies and judgements when employers do not comply with state law.
- Ensure the review of the revenue generating mechanism to maintain the trust fund solvency.
- Work with and educate employers on how to meet the UI tax requirements and where applicable, how to reduce tax rates.

#### **3) Program Integrity:**

- Protect the UI Trust Fund by preventing, discouraging, detecting and recovering UI benefit overpayments and by conducting audits.
- Investigate UI fraud, issue administrative fraud determinations, and prepare fraud cases for state criminal prosecution.
- Manage overpayment recovery activities and maintain overpayment records.

### **Component Goals and Strategies**

1) As stated in the Division's Strategic Plan, increase the weekly benefit payment. It remains our intention to request an increase of the weekly benefit amount that would equate to 50% of average weekly wage replacement.

2) Also as outlined in the Strategic Plan, a telephonic employer registration will be created and implemented for unemployment insurance tax purposes.

- To establish baseline data on the current number of paper registration forms received with incomplete information requiring follow up action to measure improvement on the registration process.
- Improve on the amount of time it takes to completely register an employer and input employer information into our tax system.

- Improve on the accuracy of information obtained from employers who are registering.
  - Reduce the number of follow up telephone calls to employers to obtain missing information or to clarify information received.
- 3) Enhance program performance by providing staff with improved resources.
- Provide internal customers at all levels of the program with easy access to the Intranet resource library. This library includes reference materials, frequently used forms, archived program changes, event calendars, resource sites and manager meeting minutes.
- 4) Redesign of Tax System
- Continue multi-year capital improvement project to replace obsolete Tax computer system to enhance timeliness and accuracy of employer account maintenance and management.
- 5) Monitor employers' compliance with Federal and State tax mandates.
- Continue customer outreach programs, employer workshops, quarterly newsletters and expansion of Internet site to assist in proper reporting and compliance with contribution requirements.
- 6) Improve delivery of unemployment insurance services through renewed emphasis on continuous improvement and staff development.
- Participate in implementing the outlined strategic plan for the Employment Security Division based on self-assessment, using the Baldrige Criteria for Performance Excellence.

### **Key Component Issues for FY2002 – 2003**

- 1) Improve employee development by implementing a comprehensive training program aimed at increasing program knowledge.
- Develop an employee needs assessment to determine strengths and areas of opportunity.
  - Design and implement course agendas to respond to targeted needs.
- 2) Provide on-going resources to the tax redesign project to ensure that staff will be available for the long-term commitment. Several full-time staff members are committed to this project, in addition to their regular workload.
- 3) The Resource Justification Model (RJM) budget formulation process will be implemented in February 2002 and begin gathering data. The data will be used in a weighted formula to determine state specific budget requirements and how funds will be distributed among states. Due to Alaska's large geographical area and small population base the cost ratio per benefit payment is higher than many other more densely populated states. Since Alaska does not experience the economies of scale that other states do, sufficient administrative funding for the state is at risk. The results of the RJM will be applied for the first time when the federal FY 2004 grant budget is developed.
- 4) Continue in the development of an automated process to timely transfer wage data to and from other states. Implementing an electronic federal wage request form to increase the speed at which Unemployment Compensation for Federal Employee (UCFE) wage data is requested and received from participating Federal employer agencies, in order to establish UI claims for former federal employees.
- 5) Increase recovery of fraud and non-fraud overpayments from claimants residing outside Alaska.
- 6) The UI/ES Reform effort is still active at the national level. If passed by Congress, it should provide for full and mandatory funding of the state administration of the UI and ES programs and technical provisions that would improve substantially the administration of these programs.

## **Major Component Accomplishments in 2001**

- 1) Unemployment Insurance benefits totaling \$114,355,009 were paid to 51,074 insured workers.
- 2) The solvency of the Alaska UI Trust Fund was maintained.
  - 62,135 contribution reports from employers were processed.
  - \$129,819,068 was deposited into the UI Trust Fund.
- 3) Major enhancements were made to the Voice Response System (IVR). The added features and refined script makes it easier for customers to access their account, verify check status, report earnings and make address changes.
- 4) 3,043 PFD levy requests were submitted to the Department of Revenue for a total of \$3,387,406 to be applied towards fraud and non-fraud overpayments. The expected recovery will be approximately \$1.6 million. This is in addition to the \$2,333,059 collected in benefit overpayments through offset of benefits and cash collections.
- 5) Educating employers through workshops, newsletters and audits of various ways to reduce their tax rates resulted in a substantial increase in employer refunds. A total of \$1,083,099 was refunded in overpaid employer taxes.
- 6) An extensive library in the Intranet was created that includes new forms, resources, procedural updates and system alerts. The access of this information will aid in the quality of non-monetary adjudications by providing statewide consistency.
- 7) Annual and biennial customer surveys were conducted.
  - The results of the annual Alaska Employer survey showed 74% percent responding the overall quality of service received from the Tax Unit was good.
  - The results of the biennial customer surveys (including interstate claimants) showed 98% responding that overall service was adequate or better.
- 8) \$4,262,755.86 collected and deposited into the State Training Employment Program Account.
- 9) In August 2001, the Quality Control Unit implemented the Denied Claims Accuracy program. This expansion of the Quality Control effort will lead to greater program integrity. This Federal program requires an audit of an additional 450 denied cases per year. Although the caseload increased dramatically, only one additional staff was added. All of the auditors are handling an increased caseload due to this expansion. These cases will include monetary, separation and non-separation issues.

## **Statutory and Regulatory Authority**

- 1) Federal
  - Federal/State Extended Unemployment Compensation Act
  - 5 U.S.C. Sec. 8501-8525
  - Federal Unemployment Tax Act
  - Social Security Act: Titles III, IX, XI, and XII
- 2) State
  - AS 23.20
  - 8 AAC 85



## Unemployment Insurance

### Component Financial Summary

*All dollars in thousands*

|  | FY2001 Actuals  | FY2002 Authorized | FY2003 Governor |
|--|-----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>                |                 |                   |                 |
| <b>Component Expenditures:</b>             |                 |                   |                 |
| 71000 Personal Services                    | 11,623.0        | 12,495.2          | 12,957.8        |
| 72000 Travel                               | 382.0           | 317.2             | 421.2           |
| 73000 Contractual                          | 3,085.5         | 4,401.0           | 3,749.0         |
| 74000 Supplies                             | 353.0           | 291.1             | 659.1           |
| 75000 Equipment                            | 387.2           | 563.4             | 201.4           |
| 76000 Land/Buildings                       | 0.0             | 0.0               | 0.0             |
| 77000 Grants, Claims                       | 0.0             | 0.0               | 0.0             |
| 78000 Miscellaneous                        | 0.0             | 0.0               | 0.0             |
| <b>Expenditure Totals</b>                  | <b>15,830.7</b> | <b>18,067.9</b>   | <b>17,988.5</b> |
| <b>Funding Sources:</b>                    |                 |                   |                 |
| 1002 Federal Receipts                      | 15,522.1        | 17,616.5          | 17,505.1        |
| 1007 Inter-Agency Receipts                 | 307.5           | 451.4             | 358.4           |
| 1054 State Employment & Training Program   | 0.0             | 0.0               | 125.0           |
| 1108 Statutory Designated Program Receipts | 1.1             | 0.0               | 0.0             |
| <b>Funding Totals</b>                      | <b>15,830.7</b> | <b>18,067.9</b>   | <b>17,988.5</b> |

### Estimated Revenue Collections

| Description                           | Master Revenue Account | FY2001 Actuals  | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------------|------------------------|-----------------|-------------------|----------------------|-----------------|-----------------|
| <b>Unrestricted Revenues</b>          |                        |                 |                   |                      |                 |                 |
| None.                                 |                        | 0.0             | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>             |                        | <b>0.0</b>      | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b>Restricted Revenues</b>            |                        |                 |                   |                      |                 |                 |
| Federal Receipts                      | 51010                  | 15,522.1        | 17,616.5          | 17,139.1             | 17,505.1        | 17,505.1        |
| Interagency Receipts                  | 51015                  | 307.5           | 451.4             | 451.4                | 358.4           | 358.4           |
| Statutory Designated Program Receipts | 51063                  | 1.1             | 0.0               | 0.0                  | 0.0             | 0.0             |
| State Employment and Training Program | 51394                  | 0.0             | 0.0               | 125.0                | 125.0           | 125.0           |
| <b>Restricted Total</b>               |                        | <b>15,830.7</b> | <b>18,067.9</b>   | <b>17,715.5</b>      | <b>17,988.5</b> | <b>17,988.5</b> |
| <b>Total Estimated Revenues</b>       |                        | <b>15,830.7</b> | <b>18,067.9</b>   | <b>17,715.5</b>      | <b>17,988.5</b> | <b>17,988.5</b> |

## Unemployment Insurance

### Proposed Changes in Levels of Service for FY2003

- 1) Enhance quality service to clients, create and implement a comprehensive employee development and career enhancement program.
- 2) Increase the number of unemployment insurance claimants receiving reemployment services, thus increasing the number of UI claimants returning to work.
- 3) Improve timeliness in payment of unemployment compensation for ex-service members by implementing programming for data transfer.
- 4) Implement telephonic registration which will reduce the time it takes to completely and correctly register an employer. This will benefit employers by substantially decreasing the follow up required on incomplete paper registration forms.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|   | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>  | <b>0.0</b>           | <b>17,616.5</b>      | <b>451.4</b>       | <b>18,067.9</b>    |
| <b>Adjustments which will continue current level of service:</b>                      |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change from FY2002  | 0.0                  | 311.6                | 7.0                | 318.6              |
| -Transfer 1 PFT from Employment Services to Unemployment Insurance program            | 0.0                  | 54.4                 | 0.0                | 54.4               |
| -Transfer STEP Auth from Job Training Programs to Unemployment Insurance ADN 0721020  | 0.0                  | 0.0                  | 125.0              | 125.0              |
| -Transfer Federal Auth from Unemployment Insurance to Employment Services ADN 0721013 | 0.0                  | -477.4               | 0.0                | -477.4             |
| <b>Proposed budget decreases:</b>   |                      |                      |                    |                    |
| -Decrease I/A authority in Unemployment Insurance                                     | 0.0                  | 0.0                  | -100.0             | -100.0             |
| <b>FY2003 Governor</b>  | <b>0.0</b>           | <b>17,505.1</b>      | <b>483.4</b>       | <b>17,988.5</b>    |

## Unemployment Insurance

### Personal Services Information

| Authorized Positions |                   | Personal Services Costs |                                  |                   |
|----------------------|-------------------|-------------------------|----------------------------------|-------------------|
|                      | <u>FY2002</u>     | <u>FY2003</u>           |                                  |                   |
|                      | <u>Authorized</u> | <u>Governor</u>         |                                  |                   |
| Full-time            | 196               | 198                     | Annual Salaries                  | 9,811,984         |
| Part-time            | 40                | 37                      | COLA                             | 220,200           |
| Nonpermanent         | 1                 | 1                       | Premium Pay                      | 1,143             |
|                      |                   |                         | Annual Benefits                  | 3,606,016         |
|                      |                   |                         | <i>Less 5.00% Vacancy Factor</i> | (681,545)         |
|                      |                   |                         | Lump Sum Premium Pay             | 0                 |
| <b>Totals</b>        | <b>237</b>        | <b>236</b>              | <b>Total Personal Services</b>   | <b>12,957,798</b> |

### Position Classification Summary

| Job Class Title               | Anchorage | Fairbanks | Juneau     | Others   | Total      |
|-------------------------------|-----------|-----------|------------|----------|------------|
| Accounting Spvr I             | 0         | 0         | 3          | 0        | 3          |
| Accounting Spvr II            | 0         | 0         | 1          | 0        | 1          |
| Accounting Tech I             | 2         | 1         | 1          | 0        | 4          |
| Accounting Tech II            | 0         | 0         | 2          | 0        | 2          |
| Administrative Assistant      | 1         | 0         | 2          | 0        | 3          |
| Administrative Clerk II       | 0         | 0         | 5          | 0        | 5          |
| Administrative Clerk III      | 4         | 1         | 4          | 0        | 9          |
| Appeals Referee II            | 3         | 0         | 2          | 0        | 5          |
| Appeals Referee III           | 1         | 0         | 0          | 0        | 1          |
| Asst Dir Employ Security      | 0         | 0         | 1          | 0        | 1          |
| College Intern I              | 0         | 0         | 1          | 0        | 1          |
| Employ Sec Analyst I          | 2         | 0         | 3          | 0        | 5          |
| Employ Sec Analyst II         | 0         | 0         | 6          | 0        | 6          |
| Employ Sec Analyst III        | 0         | 0         | 8          | 0        | 8          |
| Employ Sec Spec IA            | 1         | 0         | 1          | 0        | 2          |
| Employ Sec Spec IB            | 42        | 10        | 35         | 0        | 87         |
| Employ Sec Spec II            | 5         | 1         | 4          | 0        | 10         |
| Employ Sec Spec III           | 6         | 1         | 4          | 0        | 11         |
| Employ Sec Spec IV            | 0         | 0         | 2          | 0        | 2          |
| Employment Service Manager II | 0         | 1         | 0          | 0        | 1          |
| Employment Service Mgr IV     | 1         | 0         | 1          | 0        | 2          |
| Field Auditor I               | 7         | 2         | 2          | 2        | 13         |
| Field Auditor II              | 1         | 1         | 1          | 0        | 3          |
| Investigator II               | 3         | 1         | 1          | 0        | 5          |
| Investigator III              | 1         | 0         | 0          | 0        | 1          |
| Micro/Network Tech I          | 1         | 1         | 3          | 0        | 5          |
| Microfilm Equip Op I          | 0         | 0         | 1          | 0        | 1          |
| Microfilm Equip Op II         | 0         | 0         | 1          | 0        | 1          |
| Prog Coordinator              | 0         | 0         | 4          | 0        | 4          |
| Spvr Audit Operations         | 0         | 0         | 1          | 0        | 1          |
| Status Examiner I             | 0         | 0         | 10         | 0        | 10         |
| Supvr, Unempl Ins Tax         | 0         | 0         | 1          | 0        | 1          |
| Unem Ins Qtl Contl Auditr     | 3         | 1         | 2          | 0        | 6          |
| Unem Quality Contl Supervisor | 0         | 0         | 1          | 0        | 1          |
| Unemp Ins Support Svcs Mgr    | 0         | 0         | 1          | 0        | 1          |
| Unemployment Ins Spec II      | 0         | 0         | 12         | 0        | 12         |
| Unemployment Ins Spec III     | 1         | 0         | 1          | 0        | 2          |
| <b>Totals</b>                 | <b>85</b> | <b>21</b> | <b>128</b> | <b>2</b> | <b>236</b> |

## **Component: Job Training Programs**

**Contact: Ronald E. Hull, Director**

**Tel:** (907) 465-2712 **Fax:** (907) 465-4537 **E-mail:** Ron\_Hull@labor.state.ak.us

### **Component Mission**

To exceed the expectations of Alaskan employers, workers and job seekers by meeting the unique training needs of Alaskans wanting to enter or re-enter the job market.

### **Component Services Provided**

1) The Alaska Workforce Investment Office (AWIO), based in Anchorage, is responsible for statewide planning, administration and grant management of all federal Workforce Investment Act (WIA) of 1998 Title IB programs, the federal Welfare to Work (WtW) program under the Balanced Budget Act of 1997, the State Training and Employment Program (STEP), and the Denali Commission Training fund.

- Under WIA Title I, funds are available for Youth, Adult and Dislocated Worker activities at both the state and local levels.
- At the state level, WIA Title I funds are also available for responding to worker dislocations, and for statewide activities, such as providing technical assistance and conducting special projects.
- Welfare to Work and STEP activities in this component occur at both the state and local levels.
- Denali Commission training fund is operated at the statewide level.

2) The State Training and Employment Program (STEP), administered by AWIO, provides Alaskan workers access to state and employer sponsored training programs and services including:

- Industry specific on-the-job and classroom training.
- Job search assistance and other supportive services.
- Vocational counseling and career guidance.

3) The Balance of State Service Delivery Office, based in Juneau, administers WIA Title I federal funds received through the AWIO to implement employment-training programs in the Balance of State (all of Alaska except Anchorage/Mat-Su). The component coordinates with related programs, such as vocational education, school-to-work, and employment services to ensure maximum efficiency in serving participants.

- At the local level, "front line" delivery of services such as assessment, case management, job training and supportive services are provided by Balance of State staff in partnership with Employment Service staff and other collocated Alaska Job Center Network (AJCN) staff, and selected grantees. These services are offered through local centers, with advice and oversight from local advisory committees and a statewide Local Workforce Investment Board (LWIB).
- Additionally, services are provided through grant funding of projects chosen in a competitive bid process administered by central and regional offices.

### **Component Goals and Strategies**

1) Provide more high quality training opportunities to Alaskans; and to increase the number trained, the number placed in jobs, the number of trainees who are satisfied with their training, increase the average annual earnings per trainee, and reduce the average cost per trainee and per placement. In order to accomplish these goals ESD will:

- Conduct employer and participant focus groups on each deliverable.
- Collect private sector baseline data to formulate aggressive targets.
- Write and implement a simple, easy to use On-the-Job training agreement for employers.
- Promote the referral to job training through Unemployment Insurance program.
- Develop and issue a new individual Training Account voucher that provides for redeemable training at local training facilities.
- Train ES and JT staff on Workforce Investment Act and State Training Employment Program training benefits and opportunities.

- Develop appropriate Employment Development Plans with realistic local labor market specific goals.
  - Form a vendor/trainer advisory committee to promote and enhance training capacity.
  - Develop and implement data collection policies that ensure a high degree of data integrity and usefulness.
- 2) Provide effective administration and oversight of Workforce Investment Act (WIA Title I), State Training Employment Program (STEP), Denali Commission Training fund, and Welfare to Work (WtW) programs marshalling resources to realize efficiencies. The following strategies will be used to accomplish these goals:
- Provide financial and technical assistance to the Alaska Human Resource Investment Council (AHRIC), Local Workforce Investment Boards (LWIB), other state and local agencies, grantees and contractors.
  - Provide accurate and timely reporting of financial and participant activities to the federal funding agencies and Commissions.
  - Provide technical support and financial resources to appropriate businesses, communities and agencies in response to business closures and layoffs.
- 3) Reduce unemployment among Alaska's underemployed and unemployed.
- Target services to the unemployed among economically disadvantaged and dislocated workers.
  - Assist clients to obtain higher wages upon job placement.
  - Increase job retention of trained workers.
  - Increase Alaska hire through creation of a skilled worker pool.
  - Increase basic work readiness and occupational skill level for youth.
- 4) Make full and effective use of STEP funds for training of Alaskans.
- Exercise stringent grant management policies with Alaskan service providers/grantees and aggressively reallocate unobligated funds on a quarterly basis.
  - Foster new jobs by encouraging businesses to locate in Alaska due to the availability of a skilled labor force and low unemployment costs.
  - Increase the training opportunities to those workers severely affected by fluctuations in the state economy or technological changes in the workplace.
  - Provide supplementary training resources for Alaska's employers, which complement federal programs and offer greater flexibility.
- 5) Effectively coordinate resources and staff with Employment Services activity by:
- Developing prototype job classifications for smaller offices that integrate job training and employment service responsibilities.
  - Co-funding and integrating program support for new, shared job classifications.
  - Developing common measures between the programs.
  - Developing common strategies for collecting data and evaluating performance data.

### **Key Component Issues for FY2002 – 2003**

- 1) Complete the final accounting and reporting on the Welfare to Work (WtW) program.
- 2) Enhance and improve coordination and collaboration with Alaska Job Center Network (AJCN) one-stop centers and cooperative agencies.
- 3) Expand dislocated worker services to affected industries and regions.
- 4) Explore an expanded and integrated Management Information System (MIS) both for case management as well as performance reporting, for all major AJCN partner programs.
- 5) Advocate for following AS 23.15.830 on the Technical and Vocational Education Program (TVEP) by establishing a competitive training grant process to target eligible clients as defined under this state law. Currently, the Legislature appropriates designated grants to entities without addressing these state requirements.
- 6) The State Training and Employment Program (STEP) is scheduled to sunset. The Department will introduce

legislation to continue STEP.

### **Major Component Accomplishments in 2001**

- 1) Completed the final accounting of the Job Training Partnership Act programs.
- 2) Negotiated, awarded and administered over \$15M in WIA Title I and WtW and over \$3.6M in STEP financial assistance agreements.
- 3) Provided technical assistance to the Alaska Human Resource Investment Council, the Local Workforce Investment Boards, other workforce development agencies and organizations.
- 4) Successfully delivered dislocated worker services to affected timber workers in Southeast Alaska, retail workers in Southcentral and Interior Alaska, and civilians at Fort Greeley.
- 5) Provided outreach and grants for approximately \$1,800,000 in special rural Denali Commission projects, which resulted in training opportunities for over 600 rural Alaska residents.
- 6) Provided expanded WIA youth services with \$250,000 in Project Renew Hope grants to Western Alaskan communities.
- 7) Provided financial assistance in the analysis of the employment related impact of the Stellar Sea Lion decision on the coastal communities of western Alaska and Kodiak Island.
- 8) Assisted in the preparation of the Annual STEP Report in December. The latest available program information is for FY 1998 - 2000, indicating STEP achieved the following:
  - In FY00, over 1,440 new clients were enrolled in the program.
  - Expenditures per STEP client fell from \$1,950 in FY99 to \$1,859 in FY00, realizing certain efficiencies through the one stop system.
  - FY99 UI claims were reduced from over \$2,440,000 (783 claims) in the 12 months prior to their participation to under \$901,000 (446 claims) in the year after they completed STEP.

### **Statutory and Regulatory Authority**

- 1) Federal
  - Public Law 104-193
  - Public Law 105-33
  - Public Law 105-220
  - 20 CFR parts 660-671
  - 29 CFR part 37
- 2) State
  - AS 44.31
  - AS 23.15.620-660
  - AS 23.15.700-810
  - 8 AAC 87.010-87.180
  - Admin Order # 113
  - Admin Order # 182

## Job Training Programs

### Component Financial Summary

*All dollars in thousands*

|  | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>              |                |                   |                 |
| <b>Component Expenditures:</b>           |                |                   |                 |
| 71000 Personal Services                  | 0.0            | 2,937.4           | 3,544.9         |
| 72000 Travel                             | 0.0            | 384.7             | 346.2           |
| 73000 Contractual                        | 0.0            | 5,882.4           | 4,395.9         |
| 74000 Supplies                           | 0.0            | 112.2             | 177.7           |
| 75000 Equipment                          | 0.0            | 177.6             | 102.6           |
| 76000 Land/Buildings                     | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims                     | 0.0            | 20,798.0          | 22,034.9        |
| 78000 Miscellaneous                      | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>                | <b>0.0</b>     | <b>30,292.3</b>   | <b>30,602.2</b> |
| <b>Funding Sources:</b>                  |                |                   |                 |
| 1002 Federal Receipts                    | 0.0            | 22,450.6          | 24,369.9        |
| 1004 General Fund Receipts               | 0.0            | 493.7             | 503.4           |
| 1005 General Fund/Program Receipts       | 0.0            | 43.7              | 43.7            |
| 1007 Inter-Agency Receipts               | 0.0            | 2,244.2           | 899.9           |
| 1054 State Employment & Training Program | 0.0            | 5,060.1           | 4,785.3         |
| <b>Funding Totals</b>                    | <b>0.0</b>     | <b>30,292.3</b>   | <b>30,602.2</b> |

### Estimated Revenue Collections

| Description                           | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b>Unrestricted Revenues</b>          |                        |                |                   |                      |                 |                 |
| None.                                 |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>             |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b>Restricted Revenues</b>            |                        |                |                   |                      |                 |                 |
| Federal Receipts                      | 51010                  | 0.0            | 22,450.6          | 22,308.5             | 24,369.9        | 24,369.9        |
| Interagency Receipts                  | 51015                  | 0.0            | 2,244.2           | 1,644.2              | 899.9           | 899.9           |
| General Fund Program Receipts         | 51060                  | 0.0            | 43.7              | 43.7                 | 43.7            | 43.7            |
| State Employment and Training Program | 51394                  | 0.0            | 5,060.1           | 4,775.1              | 4,785.3         | 4,785.3         |
| <b>Restricted Total</b>               |                        | <b>0.0</b>     | <b>29,798.6</b>   | <b>28,771.5</b>      | <b>30,098.8</b> | <b>30,098.8</b> |
| <b>Total Estimated Revenues</b>       |                        | <b>0.0</b>     | <b>29,798.6</b>   | <b>28,771.5</b>      | <b>30,098.8</b> | <b>30,098.8</b> |

## Job Training Programs

### Proposed Changes in Levels of Service for FY2003

Increased services to rural Alaskans through Denali Commission grants. The Denali Commission has made a commitment to rural residents to recruit and hire locally for the infrastructure projects it funds. As the Denali Commission expands into new areas, such as health care facilities, there will be an increased demand for additional training to those needs.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|   | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>  | <b>537.4</b>         | <b>22,450.6</b>      | <b>7,304.3</b>     | <b>30,292.3</b>    |
| <b>Adjustments which will continue current level of service:</b>                                      |                      |                      |                    |                    |
| -Transfer I/A Auth from Job Training Programs to Employment Services ADN 0721009                      | 0.0                  | 0.0                  | -600.0             | -600.0             |
| -Transfer STEP Auth from Job Training Programs to Unemployment Insurance ADN 0721020                  | 0.0                  | 0.0                  | -125.0             | -125.0             |
| -Transfer Federal Auth from Job Training Programs to Employment Service ADN 0721010                   | 0.0                  | -20.0                | 0.0                | -20.0              |
| -Transfer Federal & STEP Auth from Job Training Programs to Employment Services ADN 0721011           | 0.0                  | -160.0               | -160.0             | -320.0             |
| -Transfer Federal Auth from Employment Services to Job Training Programs ADN 0721012                  | 0.0                  | 95.0                 | 0.0                | 95.0               |
| -Transfer Federal Auth from Job Training Programs to Employment Services ADN 0721014                  | 0.0                  | -57.1                | 0.0                | -57.1              |
| -Year 3 Labor Costs - Net Change from FY2002  | 9.7                  | 61.4                 | 15.9               | 87.0               |
| -Transfer I/A Auth from Job Training to Employ Svcs for the Automated Worker Skills Inventory Program | 0.0                  | 0.0                  | -750.0             | -750.0             |
| <b>Proposed budget increases:</b>   |                      |                      |                    |                    |
| -Increase federal authorization to provide Denali Commission grant funding                            | 0.0                  | 2,000.0              | 0.0                | 2,000.0            |
| <b>FY2003 Governor</b>  | <b>547.1</b>         | <b>24,369.9</b>      | <b>5,685.2</b>     | <b>30,602.2</b>    |



## Job Training Programs

### Personal Services Information

| Authorized Positions |                   | Personal Services Costs |                                  |                  |
|----------------------|-------------------|-------------------------|----------------------------------|------------------|
|                      | <u>FY2002</u>     | <u>FY2003</u>           |                                  |                  |
|                      | <u>Authorized</u> | <u>Governor</u>         |                                  |                  |
| Full-time            | 51                | 58                      | Annual Salaries                  | 2,684,313        |
| Part-time            | 0                 | 0                       | COLA                             | 62,347           |
| Nonpermanent         | 1                 | 5                       | Premium Pay                      | 0                |
|                      |                   |                         | Annual Benefits                  | 945,991          |
|                      |                   |                         | <i>Less 4.00% Vacancy Factor</i> | (147,707)        |
|                      |                   |                         | Lump Sum Premium Pay             | 0                |
| <b>Totals</b>        | <b>52</b>         | <b>63</b>               | <b>Total Personal Services</b>   | <b>3,544,944</b> |

### Position Classification Summary

| Job Class Title            | Anchorage | Fairbanks | Juneau    | Others    | Total     |
|----------------------------|-----------|-----------|-----------|-----------|-----------|
| Accounting Tech I          | 1         | 0         | 0         | 0         | 1         |
| Administrative Assistant   | 0         | 0         | 1         | 1         | 2         |
| Administrative Clerk I     | 0         | 1         | 0         | 0         | 1         |
| Administrative Clerk III   | 2         | 2         | 1         | 3         | 8         |
| Administrative Coordinator | 0         | 0         | 1         | 0         | 1         |
| Asst Dir Employ Security   | 0         | 0         | 1         | 0         | 1         |
| Community Devel Spec I     | 0         | 2         | 1         | 3         | 6         |
| Community Devel Spec II    | 1         | 5         | 2         | 3         | 11        |
| Community Devel Spec III   | 0         | 1         | 1         | 3         | 5         |
| Employ Counselor I         | 0         | 0         | 0         | 1         | 1         |
| Employ Counselor II        | 2         | 0         | 0         | 0         | 2         |
| Employ Sec Analyst I       | 1         | 0         | 1         | 0         | 2         |
| Employ Sec Analyst II      | 0         | 0         | 1         | 0         | 1         |
| Employ Sec Analyst III     | 6         | 0         | 2         | 0         | 8         |
| Grants Administrator I     | 1         | 0         | 0         | 0         | 1         |
| Grants Administrator II    | 2         | 0         | 2         | 0         | 4         |
| Grants Administrator III   | 1         | 0         | 0         | 0         | 1         |
| Prog Coordinator           | 1         | 0         | 2         | 0         | 3         |
| Program Services Aide      | 0         | 0         | 2         | 2         | 4         |
| <b>Totals</b>              | <b>18</b> | <b>11</b> | <b>18</b> | <b>16</b> | <b>63</b> |

## **Component: Adult Basic Education**

**Contact: Ronald E. Hull, Director**

**Tel:** (907) 465-2712 **Fax:** (907) 465-4537 **E-mail:** Ron\_Hull@labor.state.ak.us

### **Component Mission**

To provide adult learners instruction in the basic skills of reading, writing, mathematics, English as a Second Language (ESL), and GED (General Educational Development) preparation and testing.

### **Component Services Provided**

#### 1) Adult Basic Education (ABE)

- Instruction in basic skills of reading, writing, and math.
- Emphasis on integrating workplace readiness skills into instruction as well as practical life skills.

#### 2) General Educational Development (GED)

- Instruction and practice testing in GED preparation.
- Administration of five timed tests that make up the test battery; writing, reading, science, social studies, and mathematics.

#### 3) English Literacy and Citizenship

- Instruction in speaking, reading, and writing in English.
- Instruction in literacy skills that may result in passing a citizenship test.
- Instruction in skills necessary to reach a minimum level of English competency needed for most entry-level service positions and the ability to function at a basic level in American society.

#### 4) Workplace Literacy

- Instruction in the basic skills with an emphasis on occupational specific relevancy and preparing for employment.
- Assistance to employers in setting up workplace literacy activities.

#### 5) Life Skills Literacy

- Workshops (resume writing, reading bills, reading classified ads) in developing and sustaining higher levels of self-sufficiency.

#### 6) Family Literacy

- Collaboration with the Department of Education and Early Development's Even Start Family Literacy programs.

#### 7) GED Testing

- There are a total of 28 Test Centers in Alaska. Thirteen Regional Adult Education programs offer GED preparation and testing, and an additional 15 entities are approved as GED Testing Centers. All test centers contract with the National GED Testing Service and are administered through this state office.

### **Component Goals and Strategies**

#### 1) Increase the number of adult learners from the FY2002 level of 23% to 25% who:

- Complete instructional levels
- Obtain a GED
- Transition into higher education or vocational training
- Obtain or advance in employment

2) Comply with the approved Unified State Plan, which is consistent with other employment and training programs and the federal Workforce Investment Act (WIA) implementation criteria.

3) Provide statewide leadership and technical training and support to Alaska ABE grantees.

- Plan and administer a Fall staff development training conference for local ABE directors and instructors.
- Conduct four audio conferences for ABE Directors and three for GED test center staff.
- Conduct one full-day of training for GED Test Center staff.
- Develop and disseminate a distance delivery professional development course (basics of teaching reading, writing, and math to adults).

4) Adjust services to meet customer needs.

- Use Program Profiles written by each regional ABE program to produce a more effective program.
- Use data collected annually by the programs to help them produce a more effective program.
- Use student satisfaction surveys to review and adjust services to better meet student needs.

### **Key Component Issues for FY2002 – 2003**

1) GED transcripts (1983-1999) were transferred and stored on microfilm in FY 2001 to complete a safe and secure archival system. Transcripts prior to 1983 are stored on microfiche and copies of all film and fiche are kept in State archives. Beginning January 2002, all new GED transcripts will be stored on a national database maintained at Oklahoma Scoring Service in Norman, Oklahoma.

2) On January 1, 2002, a new GED test version will be implemented. This transition presents an administrative challenge for State and local administrators and a challenge for the students in taking a new and more difficult exam. It is expected that initially, all tests will be electronically scored through a contract with Oklahoma Scoring Service in Norman, Oklahoma.

3) The Alaska State High School Exit Exam's Reading, Writing, and Math tests are similar to the GED tests. It is expected that enrollment in Adult Education GED preparation programs will initially increase by up to 25 percent as high school seniors prepare to take the GED or seek instruction in order to pass the Exit Exam in the years after their class graduates. GED Testing Centers also predict about a 25 percent increase in testers. Current funding levels and local capacity may not be adequate to address this additional demand.

4) The new Federal Adult Education Act (WIA, Title II) no longer focuses on the recruitment of large numbers of students. Rather, it focuses on providing more intense, higher quality levels of instruction and program support for the students who do enroll. The percent of student gains rather than the number of students enrolled measure program success. The ABE State Funding Formula, which is approved by the department and went into effect in FY 97, stipulates a minimum number of students that should be served in each Region. Even though this formula may be workable for allocating funds, it is not compatible with WIA. Attendance in ABE programs is voluntary, open-ended and open-exited. Several factors determine how many adults enroll in adult education programs. Changes in seasonal work, Welfare-to-Work laws, cannery closures, fishing industry problems, etc., can affect enrollment numbers throughout whole Regions. After a review of FY 97-01 program data to determine if there is a significant correlation between the funding formula and actual numbers enrolled, the department will consider eliminating the requirement for the minimum number of students with the new 3-year grant cycle which begins July 1, 2002.

5) Required data to meet performance measures under the new ABE Act must be developed through the collection of wage data records.

### **Major Component Accomplishments in 2001**

1) 5,310 full-time adult learners were served through ABE programs in FY 2001 (July 1, 2000 -- June 30, 2001) 1,291 received a GED and 358 entered other Academic or Vocational programs. Including all 28 GED Testing Centers, of which only 13 are ABE Programs, from January 1 – September 20, 2001 – 1,610 GED diplomas have been granted.

- 2) Over 1,600 official copies of GED transcripts were provided to prospective employers, educational and vocational training institutions at their request.
- 3) The US Office of Vocational and Adult Education approved the State's 5-Year Unified Plan. Modification of the plan during fall 2001 will provide for a new grant category of teaching English Literacy Civics, an integrated instruction program that combines English literacy and civics education.
- 4) Statewide staff development training began its second year as a responsibility of the division. Previous to fall 2000, a grant recipient conducted the statewide staff development.
- 5) Under a new state administrative agency, and under the auspices of the new State Unified Plan; the ABE Grants and Reimbursable Service Agreements were successfully negotiated and issued, consistent with the federal WIA requirements.

### **Statutory and Regulatory Authority**

#### 1) Federal

- The Workforce Investment Act of 1998, Title II: Adult Education and Family Literacy
- The National GED Testing Service

#### 2) State

- AS14.07.020(12)
- 8AAC 99.200 Adult Basic Education Grants
- 8AAC 99.010 Delegations of Authority to Issue Diplomas in Connection with the Adult Basic Programs
- 8AAC 99.110 High School Equivalency Test
- 8AAC 99.120 Eligibility
- 8AAC 99.130 Official Test Sites
- 8AAC 99.140 State GED Program Office

## Adult Basic Education

### Component Financial Summary

*All dollars in thousands*

|                                | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--------------------------------|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>    |                |                   |                 |
| <b>Component Expenditures:</b> |                |                   |                 |
| 71000 Personal Services        | 117.5          | 113.2             | 188.3           |
| 72000 Travel                   | 17.0           | 7.5               | 14.0            |
| 73000 Contractual              | 722.9          | 762.1             | 734.7           |
| 74000 Supplies                 | 4.7            | 7.5               | 4.0             |
| 75000 Equipment                | 6.3            | 5.0               | 0.0             |
| 76000 Land/Buildings           | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims           | 1,701.7        | 1,704.5           | 1,770.0         |
| 78000 Miscellaneous            | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>      | <b>2,570.1</b> | <b>2,599.8</b>    | <b>2,711.0</b>  |
| <b>Funding Sources:</b>        |                |                   |                 |
| 1002 Federal Receipts          | 832.6          | 862.2             | 971.5           |
| 1004 General Fund Receipts     | 1,737.5        | 1,737.6           | 1,739.5         |
| <b>Funding Totals</b>          | <b>2,570.1</b> | <b>2,599.8</b>    | <b>2,711.0</b>  |

### Estimated Revenue Collections

| Description                         | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|-------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b><u>Unrestricted Revenues</u></b> |                        |                |                   |                      |                 |                 |
| None.                               |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>           |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b><u>Restricted Revenues</u></b>   |                        |                |                   |                      |                 |                 |
| Federal Receipts                    | 51010                  | 832.6          | 862.2             | 862.2                | 971.5           | 971.5           |
| <b>Restricted Total</b>             |                        | <b>832.6</b>   | <b>862.2</b>      | <b>862.2</b>         | <b>971.5</b>    | <b>971.5</b>    |
| <b>Total Estimated Revenues</b>     |                        | <b>832.6</b>   | <b>862.2</b>      | <b>862.2</b>         | <b>971.5</b>    | <b>971.5</b>    |

## Adult Basic Education

### Proposed Changes in Levels of Service for FY2003

FY 2003 will be the third year of a continuation grant cycle. There are no anticipated changes in the basic services to be offered by the current ABE programs. However, within those programs, these changes are expected:

- 1) More emphasis is being placed on providing staff development in instructional strategies for the mid-level learner. This will have begun in FY 2001 with a statewide ABE initiative to pilot a project focused on teaching instructors how to provide instruction in multi-sensory reading instruction.
- 2) Because the new series of GED testing begins in January 2002, all ABE programs will be focusing on new in-depth instructional practices in math, including using scientific calculators to prepare for the new GED math test. Other examples of the new focus include more instruction in essay writing, learning to interpret graphs and political cartoons, and studying homonyms rather than spelling.
- 3) More collaborative efforts will be made with school districts in order to prepare some students to re-take the High School Exit Exam after they leave high school.
- 4) Fewer students may be served but a higher percentage of those served will reach their goals.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|   | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>  | <b>1,737.6</b>       | <b>862.2</b>         | <b>0.0</b>         | <b>2,599.8</b>     |
| <b>Adjustments which will continue current level of service:</b>                  |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change from FY2002                                      | 1.9                  | 2.3                  | 0.0                | 4.2                |
| -Transfer federal authorization from Employment Services to Adult Basic Education | 0.0                  | 107.0                | 0.0                | 107.0              |
| <b>FY2003 Governor</b>  | <b>1,739.5</b>       | <b>971.5</b>         | <b>0.0</b>         | <b>2,711.0</b>     |

## Adult Basic Education

## Personal Services Information

| Authorized Positions |                   |                 | Personal Services Costs        |                |
|----------------------|-------------------|-----------------|--------------------------------|----------------|
|                      | <u>FY2002</u>     | <u>FY2003</u>   |                                |                |
|                      | <u>Authorized</u> | <u>Governor</u> |                                |                |
| Full-time            | 2                 | 3               | Annual Salaries                | 136,961        |
| Part-time            | 0                 | 0               | COLA                           | 2,843          |
| Nonpermanent         | 0                 | 0               | Premium Pay                    | 0              |
|                      |                   |                 | Annual Benefits                | 48,511         |
|                      |                   |                 | Less 0.00% Vacancy Factor      | (0)            |
|                      |                   |                 | Lump Sum Premium Pay           | 0              |
| <b>Totals</b>        | <b>2</b>          | <b>3</b>        | <b>Total Personal Services</b> | <b>188,315</b> |

## Position Classification Summary

| Job Class Title          | Anchorage | Fairbanks | Juneau   | Others   | Total    |
|--------------------------|-----------|-----------|----------|----------|----------|
| Administrative Clerk III | 0         | 0         | 1        | 0        | 1        |
| Education Specialist II  | 0         | 0         | 1        | 0        | 1        |
| Grants Administrator II  | 0         | 0         | 1        | 0        | 1        |
| <b>Totals</b>            | <b>0</b>  | <b>0</b>  | <b>3</b> | <b>0</b> | <b>3</b> |

## **Administrative Services Budget Request Unit**

**Contact: Remond Henderson, Director**

**Tel:** (907) 465-2720 **Fax:** (907) 465-2107 **E-mail:** Remond\_Henderson@labor.state.ak.us

### **BRU Mission**

The mission of the Division of Administrative Services is to provide support services to departmental programs.

### **BRU Services Provided**

The Management Services component provides budget planning, monitoring and reporting; federal, state and unemployment insurance trust fund accounting; publication functions; human resource management; and procurement, mail and office space management to departmental programs.

The Labor Market Information component collects, analyses and publishes information on employment, unemployment, wage rates, occupational injuries, population estimates and forecasts, and other economic and demographic information.

The Data Processing component provides long-range planning, project management, mainframe and desktop programming, database and security administration and network services installations and support.

### **BRU Goals and Strategies**

1) Identify administrative support needs of the department and the tasks required to meet those needs, with input from program managers and program support staff.

- Use the information gained to develop or change the department's administrative policies and procedures for more efficient and effective administrative support.

2) Maximize the accuracy of data produced by the Labor Market Information component.

- Meet or exceed all quality standards set by the US Bureau of Labor Statistics (BLS).

3) Maximize the availability of data produced.

- Increase amount of historical data available on the Internet.

- Provide labor market information products and services to the state and local Workforce Investment Boards.

4) Improve data processing staff effectiveness

- Continue replacement of retiring DP staff with trainees drawn from experienced program staff instead of making extended recruitment efforts for trained DP staff.

5) Improve data processing system security

- Ensure compliance with the federal Health Insurance Portability & Accountability Act (HIPAA) of 1996.

### **Key BRU Issues for FY2002 – 2003**

The division will have to accommodate the complex and time intensive reporting requirements of the new federal Workforce Investment Act grants.

Federal funding from the Bureau of Labor Statistics for basic labor market information is not anticipated to increase. The complexity and resulting workload of these statistical programs has grown significantly in recent years.

Recruitment and retention of data processing staff continues as a critical problem. Projects will continue as prioritized but overall available staff and their level of training and experience will limit progress.



## Major BRU Accomplishments in 2001

The reporting backlog was eliminated and the department was brought into compliance with all federal reporting time frames.

The division prepared and submitted reports for the final closeout of all federal Job Training Partnership Act grants, awaiting federal review.

The Labor Market Information component developed and implemented an interactive data inquiry system on the Internet to enable public access to the most current 2000 Census information available.

The division continued training of in-house program staff to replace retiring DP staff. Half the original class completed their training and now performs at the journey level. A new class has been hired and started training.

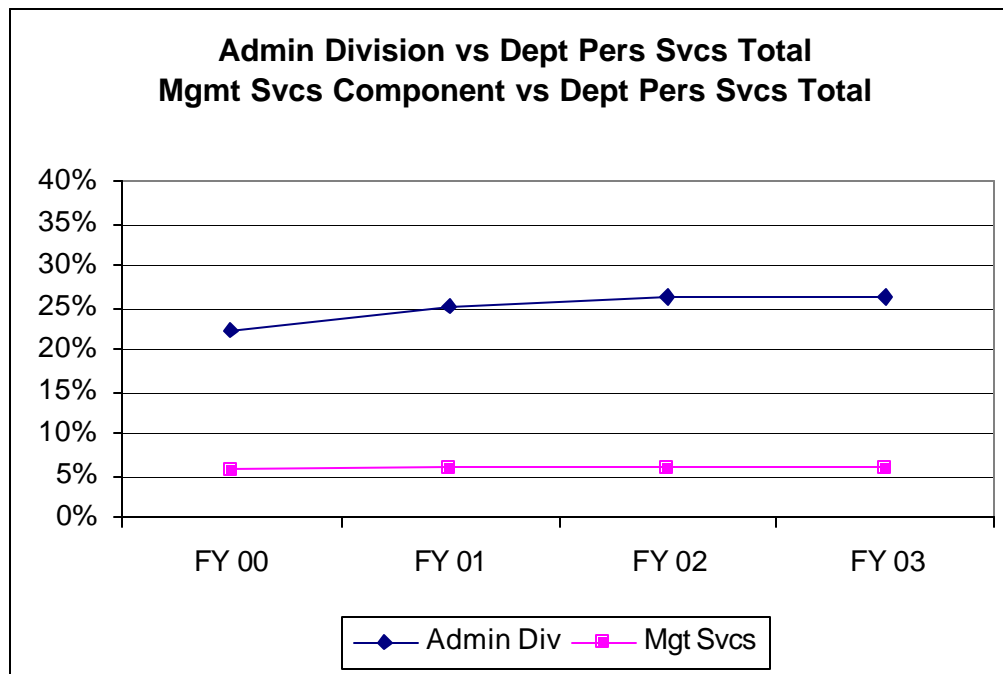
The division completed the systems analysis phases of a project to deliver a new Unemployment Insurance Tax system. Continuing work will complete the project in the next one and a half years.

## Key Performance Measures for FY2003

### Measure:

The cost of the division compared to personnel costs for the department.  
Sec 89(b)(1) Ch 90 SLA 2001(HB 250)

### Alaska's Target & Progress:



This measure, as stated in HB 250, compares the total cost of the Administrative Services Division to the total personal services cost for the department. Both the measure, as stated in HB 250, and a comparison of the total costs of the Management Services component to department personal services are shown in the above graph. The target is to maintain the current percentage while exploring ways to reduce costs in the future.

### Benchmark Comparisons:

The department has not yet identified a state or federal entity of comparable size and composition for which comparative data is available.

### Background and Strategies:

The department wants to work with the legislature to revise this measure to compare only the Management Services component total budget to the total personal services cost of the department. The Management Services component is one of 4 budget components that make up the division. The department wants to exclude the Labor Market Information (LMI), Data Processing (DP) and DOL State Facilities components from the comparison. The LMI component is a research agency funded primarily by federal and interagency funds that produces various information products but does not act as administrative support to the department. A portion of the DP component does support the department as a whole but the majority of activity is in direct support of federal employment programs. The DOL State Facilities funds are essentially a pass through for general fund program rent payments. The inclusion of these three components distorts the intended comparison of departmental support costs.

**Measure:**

The number of late penalties incurred for payroll or vendor payments.  
Sec 89(b)(2) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Our goal is to reduce the number of warrants in FY02 with late fees to 67 (.2% of total warrants issued). The 67 warrants is based on an assumption that we will issue 33,400 warrants in FY02. This is the same number of warrants that were issued in FY01. Our penalty rate was .3% (101) of the warrants issued in FY01. This .1% proposed improvement in the rate is a 33% reduction from FY01 to FY02. For FY03 the target will be to further reduce the number of late payments to 53, this would be an additional 20% reduction to a rate of .15%

Additionally, our dollar amount goal is to reduce the amount paid for vendor late fees by \$350.00 for a total cost of \$700.00 for FY02. The total amount paid in FY01 was \$1,063.00. This goal is a 33% reduction in cost. For FY03 our target is \$560.00, this would be a 20% reduction to the FY02 amount.

Note: In FY01 there was only one payroll penalty of \$400.00 incurred. As this was an isolated incident, payroll penalties were not taken into account when setting goals.

**Benchmark Comparisons:**

The department has not yet identified a state or federal entity of comparable size and composition for which comparative data is available.

**Background and Strategies:**

There appears to be a systemic problem in receiving billings and processing payments for one vendor. Of the above totals, 43 of the 101 late payments in FY01 and 13 of the 34 to date late payments in FY02 were to this single vendor. Our plan is to eliminate this problem by priority processing of this vendor and possibly changing the billing address so statements come directly to the department's fiscal office.

**Administrative Services**  
**BRU Financial Summary by Component**

*All dollars in thousands*

|                            | General<br>Funds | FY2001 Actuals<br>Federal<br>Funds | Other<br>Funds | Total<br>Funds  | General<br>Funds | FY2002 Authorized<br>Federal<br>Funds | Other<br>Funds | Total<br>Funds  | General<br>Funds | FY2003 Governor<br>Federal<br>Funds | Other<br>Funds | Total<br>Funds  |
|----------------------------|------------------|------------------------------------|----------------|-----------------|------------------|---------------------------------------|----------------|-----------------|------------------|-------------------------------------|----------------|-----------------|
| <b><u>Formula</u></b>      |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| <b><u>Expenditures</u></b> |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| None.                      |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| <b><u>Non-Formula</u></b>  |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| <b><u>Expenditures</u></b> |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| DOL State                  | 259.7            | 0.0                                | 0.0            | 259.7           | 277.1            | 0.0                                   | 0.0            | 277.1           | 246.5            | 0.0                                 | 0.0            | 246.5           |
| Facilities Rent            |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| Data                       | 103.1            | 3,632.0                            | 1,905.3        | 5,640.4         | 113.0            | 4,048.0                               | 1,976.1        | 6,137.1         | 114.7            | 4,288.6                             | 2,049.1        | 6,452.4         |
| Processing                 |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| Management                 | 401.8            | 1,901.9                            | 484.8          | 2,788.5         | 405.7            | 2,336.8                               | 267.4          | 3,009.9         | 417.1            | 2,226.9                             | 440.9          | 3,084.9         |
| Services                   |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| Labor Market               | 528.9            | 1,178.8                            | 1,373.9        | 3,081.6         | 519.7            | 1,289.3                               | 1,605.6        | 3,414.6         | 529.9            | 1,912.5                             | 1,585.9        | 4,028.3         |
| Information                |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| <b>Totals</b>              | <b>1,293.5</b>   | <b>6,712.7</b>                     | <b>3,764.0</b> | <b>11,770.2</b> | <b>1,315.5</b>   | <b>7,674.1</b>                        | <b>3,849.1</b> | <b>12,838.7</b> | <b>1,308.2</b>   | <b>8,428.0</b>                      | <b>4,075.9</b> | <b>13,812.1</b> |

**Administrative Services****Proposed Changes in Levels of Service for FY2003**

No change to services is anticipated.

**Administrative Services****Summary of BRU Budget Changes by Component****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>1,315.5</b>       | <b>7,674.1</b>       | <b>3,849.1</b>     | <b>12,838.7</b>    |
| <b>Adjustments which will continue current level of service:</b> |                      |                      |                    |                    |
| -DOL State Facilities Rent                                       | -4.0                 | 0.0                  | 0.0                | -4.0               |
| -Data Processing   | 1.7                  | 52.6                 | 28.7               | 83.0               |
| -Management Services   | 11.4                 | -109.9               | 173.5              | 75.0               |
| -Labor Market Information  | 10.2                 | 623.2                | 26.2               | 659.6              |
| <b>Proposed budget decreases:</b>                                |                      |                      |                    |                    |
| -DOL State Facilities Rent                                       | -26.6                | 0.0                  | 0.0                | -26.6              |
| -Labor Market Information  | 0.0                  | 0.0                  | -45.9              | -45.9              |
| <b>Proposed budget increases:</b>                                |                      |                      |                    |                    |
| -Data Processing   | 0.0                  | 188.0                | 44.3               | 232.3              |
| <b>FY2003 Governor</b>   | <b>1,308.2</b>       | <b>8,428.0</b>       | <b>4,075.9</b>     | <b>13,812.1</b>    |

## **Component: DOL State Facilities Rent**

### **Contact: Remond Henderson, Director**

**Tel:** (907) 465-2720 **Fax:** (907) 465-2170 **E-mail:** Remond\_Henderson@labor.state.ak.us

### **Component Mission**

To fund necessary maintenance and help prevent future deferred maintenance problems in the eight buildings in the state facilities rent pool.

### **Component Services Provided**

State Facilities Rent Structure.

### **Component Goals and Strategies**

Not applicable.

### **Key Component Issues for FY2002 – 2003**

During past years of budget constraints, state buildings were not adequately maintained which resulted in a serious and expensive deferred maintenance backlog. By implementing a rent structure, the state was able to begin annually recovering an estimated \$1.5 million (statewide) in federal and other non-general funds for space occupied in state buildings. General funds previously spent on building maintenance and operations were transferred to the agencies occupying the buildings in the facilities rent pool. The agencies now pay rent, using the transferred general funds to pay for space occupied by general fund programs and collecting rent from non-general fund sources as appropriate.

### **Major Component Accomplishments in 2001**

Not applicable.

### **Statutory and Regulatory Authority**

Not applicable.

**DOL State Facilities Rent**  
**Component Financial Summary**

*All dollars in thousands*

|                                | <b>FY2001 Actuals</b> | <b>FY2002 Authorized</b> | <b>FY2003 Governor</b> |
|--------------------------------|-----------------------|--------------------------|------------------------|
| <b>Non-Formula Program:</b>    |                       |                          |                        |
| <b>Component Expenditures:</b> |                       |                          |                        |
| 71000 Personal Services        | 0.0                   | 0.0                      | 0.0                    |
| 72000 Travel                   | 0.0                   | 0.0                      | 0.0                    |
| 73000 Contractual              | 259.7                 | 277.1                    | 246.5                  |
| 74000 Supplies                 | 0.0                   | 0.0                      | 0.0                    |
| 75000 Equipment                | 0.0                   | 0.0                      | 0.0                    |
| 76000 Land/Buildings           | 0.0                   | 0.0                      | 0.0                    |
| 77000 Grants, Claims           | 0.0                   | 0.0                      | 0.0                    |
| 78000 Miscellaneous            | 0.0                   | 0.0                      | 0.0                    |
| <b>Expenditure Totals</b>      | <b>259.7</b>          | <b>277.1</b>             | <b>246.5</b>           |
| <b>Funding Sources:</b>        |                       |                          |                        |
| 1004 General Fund Receipts     | 259.7                 | 277.1                    | 246.5                  |
| <b>Funding Totals</b>          | <b>259.7</b>          | <b>277.1</b>             | <b>246.5</b>           |

## DOL State Facilities Rent

## Proposed Changes in Levels of Service for FY2003

Not applicable.

## Summary of Component Budget Changes

## From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>277.1</b>         | <b>0.0</b>           | <b>0.0</b>         | <b>277.1</b>       |
| <b>Adjustments which will continue current level of service:</b>         |                      |                      |                    |                    |
| -Redistribution of FY01 State Facilities Funds (Trans to Dept Admin)     | -1.5                 | 0.0                  | 0.0                | -1.5               |
| -Redistribution of FY01 State Facilities Funds (Trans to Dept Comm)      | -0.5                 | 0.0                  | 0.0                | -0.5               |
| -Redistribution of FY01 State Facilities Funds (Trans to Dept Education) | -0.8                 | 0.0                  | 0.0                | -0.8               |
| -Redistribution of FY01 State Facilities Funds (Trans to Dept Revenue)   | -1.0                 | 0.0                  | 0.0                | -1.0               |
| -Redistribution of FY01 State Facilities Funds (Trans to Leg Affairs)    | -0.2                 | 0.0                  | 0.0                | -0.2               |
| <b>Proposed budget decreases:</b>  |                      |                      |                    |                    |
| -Decrease State Facility Funds to Reflect FY03 Rate Reduction            | -26.6                | 0.0                  | 0.0                | -26.6              |
| <b>FY2003 Governor</b>   | <b>246.5</b>         | <b>0.0</b>           | <b>0.0</b>         | <b>246.5</b>       |

## **Component: Data Processing**

### **Contact: Mike Noel, Manager of Information Services**

**Tel:** (907) 465-4881 **Fax:** (907) 465-5788 **E-mail:** Mike\_Noel@labor.state.ak.us

## **Component Mission**

Provide data processing support and services to all departmental programs and to the Alaska Job Center Network.

## **Component Services Provided**

- Data processing operations long-term planning.
- Technology assessment.
- Data Processing development and enhancement project management.
- Production job running, merging and printing, production output.
- Database administration.
- Local Area Network installation, maintenance and administration.
- Mainframe and Local Area Network application analysis and programming.
- Expert-level PC and LAN desktop troubleshooting support in coordination with local, first-level support.

## **Component Goals and Strategies**

### 1) Improve staff effectiveness

- Continue replacement of retiring DP staff with trainees drawn from experienced program staff instead of making extended recruitment efforts for trained DP staff.
- Formalize training plans for all DP staff.

### 2) Improve system security

- Develop secure, consistent access for public systems.
- Ensure compliance with the federal Health Insurance Portability & Accountability Act (HIPAA) of 1996.
- Review and test disaster recovery plans.

## **Key Component Issues for FY2002 – 2003**

1) High priority challenges from outside the Department may limit the Data Processing component's ability to meet program needs.

- Ensure new and existing systems are timely HIPAA compliant.
- Implement state/departmental side of DOA "telecommunications partnering plan".

2) More public access systems (and wireless systems) are being brought forward. In many cases the necessary infrastructure (such as means to provide system security) does not yet exist.

3) Recruitment and retention of data processing staff continues as a critical problem. Projects will continue as prioritized but overall available staff and their level of training and experience will limit progress.



### **Major Component Accomplishments in 2001**

- 1) Continued training of in-house program staff to replace retiring DP staff. Half the original class completed their training and now performs at the journey level. A new class has been hired and started training.
- 2) Completed the systems analysis phases of a project to deliver a new Unemployment Insurance Tax system. Continuing work will complete the project in the next one and a half years.
- 3) Completed conversion to new versions of many products that had been “frozen” for year 2000 testing and certification.

### **Statutory and Regulatory Authority**

Not applicable.

## Data Processing

### Component Financial Summary

All dollars in thousands

|                                | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--------------------------------|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>    |                |                   |                 |
| <b>Component Expenditures:</b> |                |                   |                 |
| 71000 Personal Services        | 3,117.8        | 3,489.7           | 3,567.4         |
| 72000 Travel                   | 35.3           | 64.0              | 64.0            |
| 73000 Contractual              | 2,024.3        | 2,385.9           | 2,623.5         |
| 74000 Supplies                 | 84.2           | 90.0              | 132.5           |
| 75000 Equipment                | 378.8          | 107.5             | 65.0            |
| 76000 Land/Buildings           | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims           | 0.0            | 0.0               | 0.0             |
| 78000 Miscellaneous            | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>      | <b>5,640.4</b> | <b>6,137.1</b>    | <b>6,452.4</b>  |
| <b>Funding Sources:</b>        |                |                   |                 |
| 1002 Federal Receipts          | 3,632.0        | 4,048.0           | 4,288.6         |
| 1004 General Fund Receipts     | 103.1          | 113.0             | 114.7           |
| 1007 Inter-Agency Receipts     | 1,905.3        | 1,976.1           | 2,049.1         |
| <b>Funding Totals</b>          | <b>5,640.4</b> | <b>6,137.1</b>    | <b>6,452.4</b>  |

### Estimated Revenue Collections

| Description                     | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b>Unrestricted Revenues</b>    |                        |                |                   |                      |                 |                 |
| None.                           |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>       |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b>Restricted Revenues</b>      |                        |                |                   |                      |                 |                 |
| Federal Receipts                | 51010                  | 3,632.0        | 4,048.0           | 4,048.0              | 4,288.6         | 4,288.6         |
| Interagency Receipts            | 51015                  | 1,905.3        | 1,976.1           | 1,976.1              | 2,049.1         | 2,049.1         |
| <b>Restricted Total</b>         |                        | <b>5,537.3</b> | <b>6,024.1</b>    | <b>6,024.1</b>       | <b>6,337.7</b>  | <b>6,337.7</b>  |
| <b>Total Estimated Revenues</b> |                        | <b>5,537.3</b> | <b>6,024.1</b>    | <b>6,024.1</b>       | <b>6,337.7</b>  | <b>6,337.7</b>  |

## Data Processing

## Proposed Changes in Levels of Service for FY2003

No significant service changes are anticipated this year.

## Summary of Component Budget Changes

## From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>113.0</b>         | <b>4,048.0</b>       | <b>1,976.1</b>     | <b>6,137.1</b>     |
| <b>Adjustments which will continue current level of service:</b>                   |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change from FY2002                                       | 1.7                  | 52.6                 | 28.7               | 83.0               |
| <b>Proposed budget increases:</b>  |                      |                      |                    |                    |
| -Increase Federal and Interagency Authorization to Reflect DOA Chargeback Increase | 0.0                  | 188.0                | 44.3               | 232.3              |
| <b>FY2003 Governor</b>   | <b>114.7</b>         | <b>4,288.6</b>       | <b>2,049.1</b>     | <b>6,452.4</b>     |

## Data Processing

## Personal Services Information

| Authorized Positions |                   | Personal Services Costs |                                |                  |
|----------------------|-------------------|-------------------------|--------------------------------|------------------|
|                      | <u>FY2002</u>     | <u>FY2003</u>           |                                |                  |
|                      | <u>Authorized</u> | <u>Governor</u>         |                                |                  |
| Full-time            | 47                | 48                      | Annual Salaries                | 2,700,712        |
| Part-time            | 1                 | 1                       | COLA                           | 65,008           |
| Nonpermanent         | 0                 | 0                       | Premium Pay                    | 68,537           |
|                      |                   |                         | Annual Benefits                | 882,622          |
|                      |                   |                         | Less 4.02% Vacancy Factor      | (149,483)        |
|                      |                   |                         | Lump Sum Premium Pay           | 0                |
| <b>Totals</b>        | <b>48</b>         | <b>49</b>               | <b>Total Personal Services</b> | <b>3,567,396</b> |

## Position Classification Summary

| Job Class Title           | Anchorage | Fairbanks | Juneau    | Others   | Total     |
|---------------------------|-----------|-----------|-----------|----------|-----------|
| Administrative Manager I  | 0         | 0         | 1         | 0        | 1         |
| Analyst/Programmer I      | 0         | 0         | 4         | 0        | 4         |
| Analyst/Programmer III    | 0         | 0         | 3         | 0        | 3         |
| Analyst/Programmer IV     | 0         | 0         | 13        | 0        | 13        |
| Analyst/Programmer V      | 0         | 0         | 5         | 0        | 5         |
| College Intern IV         | 0         | 0         | 1         | 0        | 1         |
| Data Communicatns Spec II | 0         | 0         | 1         | 0        | 1         |
| Data Processing Mgr I     | 1         | 0         | 1         | 0        | 2         |
| Data Processing Tech II   | 0         | 0         | 3         | 0        | 3         |
| Database Specialist II    | 0         | 0         | 1         | 0        | 1         |
| Database Specialist III   | 0         | 0         | 1         | 0        | 1         |
| Micro/Network Spec I      | 2         | 0         | 2         | 0        | 4         |
| Micro/Network Spec II     | 1         | 0         | 1         | 0        | 2         |
| Micro/Network Tech II     | 3         | 0         | 4         | 0        | 7         |
| Systems Programmer IV     | 0         | 0         | 1         | 0        | 1         |
| <b>Totals</b>             | <b>7</b>  | <b>0</b>  | <b>42</b> | <b>0</b> | <b>49</b> |

## **Component: Management Services**

### **Contact: Remond Henderson, Director**

**Tel:** (907) 465-2720 **Fax:** (907) 465-2107 **E-mail:** Remond\_Henderson@labor.state.ak.us

## **Component Mission**

To provide for efficient and effective administrative services in support of the department's programs.

## **Component Services Provided**

Budget planning, monitoring and reporting; federal, state and unemployment insurance trust fund accounting; publication; human resource management; procurement, mail and office space management.

## **Component Goals and Strategies**

IDENTIFY ADMINISTRATIVE SUPPORT NEEDS OF THE DEPARTMENT AND THE TASKS REQUIRED TO MEET THOSE NEEDS, WITH INPUT FROM PROGRAM MANAGERS AND PROGRAM SUPPORT STAFF.

- Use the information gained to develop or change the department's administrative policies and procedures for more efficient and effective administrative support.

## **Key Component Issues for FY2002 – 2003**

Accommodating the complex and time intensive reporting requirements of the new federal Workforce Investment Act grants.

## **Major Component Accomplishments in 2001**

The reporting backlog was eliminated and the department was brought into compliance with all federal reporting time frames.

The division prepared and submitted reports for the final closeout of all federal Job Training Partnership Act grants, awaiting federal review.

## **Statutory and Regulatory Authority**

AS 09.38.115  
AS 23.05.060 (3)  
AS 36.10  
AS 44.31  
1 CFR part 15.7  
41 CFR parts 29 - 70

## Management Services

### Component Financial Summary

*All dollars in thousands*

|                                | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--------------------------------|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>    |                |                   |                 |
| <b>Component Expenditures:</b> |                |                   |                 |
| 71000 Personal Services        | 2,353.8        | 2,585.9           | 2,700.9         |
| 72000 Travel                   | 15.8           | 32.2              | 32.2            |
| 73000 Contractual              | 325.9          | 312.2             | 272.2           |
| 74000 Supplies                 | 46.5           | 44.6              | 69.6            |
| 75000 Equipment                | 46.5           | 35.0              | 10.0            |
| 76000 Land/Buildings           | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims           | 0.0            | 0.0               | 0.0             |
| 78000 Miscellaneous            | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>      | <b>2,788.5</b> | <b>3,009.9</b>    | <b>3,084.9</b>  |
| <b>Funding Sources:</b>        |                |                   |                 |
| 1002 Federal Receipts          | 1,901.9        | 2,336.8           | 2,226.9         |
| 1003 General Fund Match        | 265.8          | 405.7             | 417.1           |
| 1004 General Fund Receipts     | 136.0          | 0.0               | 0.0             |
| 1007 Inter-Agency Receipts     | 484.8          | 267.4             | 440.9           |
| <b>Funding Totals</b>          | <b>2,788.5</b> | <b>3,009.9</b>    | <b>3,084.9</b>  |

### Estimated Revenue Collections

| Description                         | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|-------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b><u>Unrestricted Revenues</u></b> |                        |                |                   |                      |                 |                 |
| None.                               |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>           |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b><u>Restricted Revenues</u></b>   |                        |                |                   |                      |                 |                 |
| Federal Receipts                    | 51010                  | 1,901.9        | 2,336.8           | 2,336.8              | 2,226.9         | 2,226.9         |
| Interagency Receipts                | 51015                  | 484.8          | 267.4             | 267.4                | 440.9           | 440.9           |
| <b>Restricted Total</b>             |                        | <b>2,386.7</b> | <b>2,604.2</b>    | <b>2,604.2</b>       | <b>2,667.8</b>  | <b>2,667.8</b>  |
| <b>Total Estimated Revenues</b>     |                        | <b>2,386.7</b> | <b>2,604.2</b>    | <b>2,604.2</b>       | <b>2,667.8</b>  | <b>2,667.8</b>  |

**Management Services****Proposed Changes in Levels of Service for FY2003**

No change to services is anticipated.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>405.7</b>         | <b>2,336.8</b>       | <b>267.4</b>       | <b>3,009.9</b>     |
| <b>Adjustments which will continue<br/>current level of service:</b> |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change<br>from FY2002                      | 11.4                 | 57.7                 | 5.9                | 75.0               |
| -Consolidate Federal Billings into<br>Management Services            | 0.0                  | 82.4                 | -82.4              | 0.0                |
| -Indirect Cost Plan Authorization<br>Adjustment                      | 0.0                  | -250.0               | 250.0              | 0.0                |
| <b>FY2003 Governor</b>   | <b>417.1</b>         | <b>2,226.9</b>       | <b>440.9</b>       | <b>3,084.9</b>     |

## Management Services

## Personal Services Information

| Authorized Positions |                   | Personal Services Costs |                                |                  |
|----------------------|-------------------|-------------------------|--------------------------------|------------------|
|                      | <u>FY2002</u>     | <u>FY2003</u>           |                                |                  |
|                      | <u>Authorized</u> | <u>Governor</u>         |                                |                  |
| Full-time            | 47                | 48                      | Annual Salaries                | 2,066,546        |
| Part-time            | 1                 | 1                       | COLA                           | 55,211           |
| Nonpermanent         | 0                 | 0                       | Premium Pay                    | 0                |
|                      |                   |                         | Annual Benefits                | 751,577          |
|                      |                   |                         | Less 6.00% Vacancy Factor      | (172,400)        |
|                      |                   |                         | Lump Sum Premium Pay           | 0                |
| <b>Totals</b>        | <b>48</b>         | <b>49</b>               | <b>Total Personal Services</b> | <b>2,700,934</b> |

## Position Classification Summary

| Job Class Title            | Anchorage | Fairbanks | Juneau    | Others   | Total     |
|----------------------------|-----------|-----------|-----------|----------|-----------|
| Accountant II              | 0         | 0         | 4         | 0        | 4         |
| Accountant III             | 0         | 0         | 3         | 0        | 3         |
| Accountant IV              | 0         | 0         | 2         | 0        | 2         |
| Accounting Clerk II        | 0         | 0         | 4         | 0        | 4         |
| Accounting Spvr I          | 0         | 0         | 1         | 0        | 1         |
| Accounting Tech I          | 0         | 0         | 3         | 0        | 3         |
| Accounting Tech II         | 1         | 0         | 3         | 0        | 4         |
| Administrative Assistant   | 0         | 0         | 1         | 0        | 1         |
| Administrative Clerk II    | 0         | 0         | 1         | 0        | 1         |
| Administrative Clerk III   | 1         | 0         | 0         | 0        | 1         |
| Administrative Manager III | 1         | 0         | 0         | 0        | 1         |
| Administrative Svcs Mgr    | 0         | 0         | 1         | 0        | 1         |
| Division Director          | 0         | 0         | 1         | 0        | 1         |
| Human Resources Mgr II     | 0         | 0         | 1         | 0        | 1         |
| Internal Auditor III       | 0         | 0         | 1         | 0        | 1         |
| Mail Svcs Courier          | 1         | 0         | 2         | 0        | 3         |
| Personnel Asst I           | 1         | 0         | 3         | 0        | 4         |
| Personnel Specialist I     | 0         | 0         | 3         | 0        | 3         |
| Personnel Specialist II    | 0         | 0         | 1         | 0        | 1         |
| Procurement Spec I         | 1         | 0         | 1         | 0        | 2         |
| Procurement Spec II        | 0         | 0         | 1         | 0        | 1         |
| Program Budget AnalystIV   | 0         | 0         | 1         | 0        | 1         |
| Program Coordinator        | 0         | 0         | 1         | 0        | 1         |
| Publications Spec II       | 0         | 0         | 2         | 0        | 2         |
| Student Intern I           | 0         | 0         | 1         | 0        | 1         |
| Supply Technician II       | 1         | 0         | 0         | 0        | 1         |
| <b>Totals</b>              | <b>7</b>  | <b>0</b>  | <b>42</b> | <b>0</b> | <b>49</b> |



## **Component: Labor Market Information**

### **Contact: Remond Henderson, Director**

**Tel:** (907) 465-2720 **Fax:** (907) 465-2107 **E-mail:** Remond\_Henderson@labor.state.ak.us

### **Component Mission**

To provide accurate and timely economic and demographic data and analysis to assist government, industry, and individuals to make informed choices.

### **Component Services Provided**

- Develops information on employment by industry and occupation, unemployment, wage rates, population, census geography, occupational injuries and fatalities, housing statistics and other economic variables.
- Prepares reports on employment and training program participant's success in gaining employment and on resident hire.

### **Component Goals and Strategies**

#### **1) MAXIMIZE THE ACCURACY OF DATA PRODUCED.**

- Meet or exceed all quality standards set by the US Bureau of Labor Statistics (BLS).

#### **2) MAXIMIZE THE AVAILABILITY OF DATA PRODUCED.**

- Increase amount of historical data available on the Internet.
- Continue working with the US Department of Labor to implement the Workforce Investment Act of 1998 as it relates to this component. New data series, analysis or the reformatting of existing data may be required as this law is implemented.
- Provide labor market information products and services to the state and local Workforce Investment Boards.

#### **3) PROVIDE OBJECTIVE PROGRAM OUTCOME STATISTICS FOR EDUCATION AND TRAINING PROGRAMS USING WAGE RECORDS AND OTHER DATA FILES.**

- Through the Alaska Human Resources Investment Council, work to implement a standardized reporting procedure for recording program outcomes.

#### **4) IMPROVE RESPONSE TO AD HOC REQUESTS FOR LABOR MARKET INFORMATION.**

- Implement the upgrade of the Public Online Labor market And Research Information System (POLARIS) to the Internet application developed by the Labor Market Information-Access consortium of states.

### **Key Component Issues for FY2002 – 2003**

Federal funding from the Bureau of Labor Statistics for basic labor market information is not anticipated to increase. The complexity and resulting workload of these statistical programs has grown significantly in recent years.

### **Major Component Accomplishments in 2001**

- Developed and implemented an interactive data inquiry system on the Internet to enable public access to the most current 2000 Census information available.
- Employment forecast completed for two-year horizon.
- Provided labor market information to policymakers and line staff through presentations and workshops.

- Met all federal and state cooperative agreement deliverables.

### **Statutory and Regulatory Authority**

AS 09.38.115  
AS 23.05.060 (3)  
AS 23.05.130  
AS 23.20.022  
AS 36.10.005-.990  
AS 37.07.050  
AS 44.31.020  
AS 44.19.626 (d)(3) - (e)

41CFR parts 29 - 70

04 AAC 31.060

## Labor Market Information

### Component Financial Summary

All dollars in thousands

|  | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>                |                |                   |                 |
| <b>Component Expenditures:</b>             |                |                   |                 |
| 71000 Personal Services                    | 2,069.4        | 2,414.9           | 2,428.6         |
| 72000 Travel                               | 94.3           | 94.3              | 94.3            |
| 73000 Contractual                          | 627.3          | 769.8             | 1,369.8         |
| 74000 Supplies                             | 81.3           | 76.4              | 110.6           |
| 75000 Equipment                            | 209.3          | 59.2              | 25.0            |
| 76000 Land/Buildings                       | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims                       | 0.0            | 0.0               | 0.0             |
| 78000 Miscellaneous                        | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>                  | <b>3,081.6</b> | <b>3,414.6</b>    | <b>4,028.3</b>  |
| <b>Funding Sources:</b>                    |                |                   |                 |
| 1002 Federal Receipts                      | 1,178.8        | 1,289.3           | 1,912.5         |
| 1003 General Fund Match                    | 72.5           | 72.8              | 74.1            |
| 1004 General Fund Receipts                 | 456.4          | 446.9             | 455.8           |
| 1007 Inter-Agency Receipts                 | 1,188.5        | 1,395.4           | 1,375.7         |
| 1108 Statutory Designated Program Receipts | 185.4          | 210.2             | 210.2           |
| <b>Funding Totals</b>                      | <b>3,081.6</b> | <b>3,414.6</b>    | <b>4,028.3</b>  |

### Estimated Revenue Collections

| Description                           | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b>Unrestricted Revenues</b>          |                        |                |                   |                      |                 |                 |
| None.                                 |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>             |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b>Restricted Revenues</b>            |                        |                |                   |                      |                 |                 |
| Federal Receipts                      | 51010                  | 1,178.8        | 1,289.3           | 1,889.3              | 1,912.5         | 1,912.5         |
| Interagency Receipts                  | 51015                  | 1,188.5        | 1,395.4           | 1,395.4              | 1,375.7         | 1,375.7         |
| Statutory Designated Program Receipts | 51063                  | 185.4          | 210.2             | 210.2                | 210.2           | 210.2           |
| <b>Restricted Total</b>               |                        | <b>2,552.7</b> | <b>2,894.9</b>    | <b>3,494.9</b>       | <b>3,498.4</b>  | <b>3,498.4</b>  |
| <b>Total Estimated Revenues</b>       |                        | <b>2,552.7</b> | <b>2,894.9</b>    | <b>3,494.9</b>       | <b>3,498.4</b>  | <b>3,498.4</b>  |

## Labor Market Information

## Proposed Changes in Levels of Service for FY2003

No service changes are anticipated.

## Summary of Component Budget Changes

## From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|   | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>  | <b>519.7</b>         | <b>1,289.3</b>       | <b>1,605.6</b>     | <b>3,414.6</b>     |
| <b>Adjustments which will continue current level of service:</b>                        |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change from FY2002  | 10.2                 | 23.2                 | 26.2               | 59.6               |
| -Transfer Excess Federal Authorization from Empls Svcs to Labor Market Info ADN 0720001 | 0.0                  | 600.0                | 0.0                | 600.0              |
| <b>Proposed budget decreases:</b>   |                      |                      |                    |                    |
| -Delete 1PFT GIS Support Position to the Redistricting Board                            | 0.0                  | 0.0                  | -45.9              | -45.9              |
| <b>FY2003 Governor</b>  | <b>529.9</b>         | <b>1,912.5</b>       | <b>1,585.9</b>     | <b>4,028.3</b>     |

## Labor Market Information

## Personal Services Information

| Authorized Positions |                   | Personal Services Costs |                                  |                  |
|----------------------|-------------------|-------------------------|----------------------------------|------------------|
|                      | <u>FY2002</u>     | <u>FY2003</u>           |                                  |                  |
|                      | <u>Authorized</u> | <u>Governor</u>         |                                  |                  |
| Full-time            | 42                | 41                      | Annual Salaries                  | 1,875,669        |
| Part-time            | 0                 | 0                       | COLA                             | 41,518           |
| Nonpermanent         | 0                 | 0                       | Premium Pay                      | 732              |
|                      |                   |                         | Annual Benefits                  | 663,930          |
|                      |                   |                         | <i>Less 5.94% Vacancy Factor</i> | (153,249)        |
|                      |                   |                         | Lump Sum Premium Pay             | 0                |
| <b>Totals</b>        | <b>42</b>         | <b>41</b>               | <b>Total Personal Services</b>   | <b>2,428,600</b> |

## Position Classification Summary

| Job Class Title          | Anchorage | Fairbanks | Juneau    | Others   | Total     |
|--------------------------|-----------|-----------|-----------|----------|-----------|
| Administrative Assistant | 0         | 0         | 1         | 0        | 1         |
| Chf Labor Res & Anal     | 0         | 0         | 1         | 0        | 1         |
| Economist I              | 1         | 0         | 6         | 0        | 7         |
| Economist II             | 1         | 0         | 6         | 0        | 7         |
| Economist III            | 0         | 0         | 3         | 0        | 3         |
| Research Analyst I       | 0         | 0         | 6         | 0        | 6         |
| Research Analyst II      | 0         | 0         | 7         | 0        | 7         |
| Research Analyst III     | 0         | 0         | 1         | 0        | 1         |
| Research Analyst IV      | 0         | 0         | 1         | 0        | 1         |
| Statistical Clerk        | 0         | 0         | 7         | 0        | 7         |
| <b>Totals</b>            | <b>2</b>  | <b>0</b>  | <b>39</b> | <b>0</b> | <b>41</b> |

## **Office of the Commissioner Budget Request Unit**

**Contact: Ed Flanagan, Commissioner**

**Tel:** (907) 465-2700 **Fax:** (907) 465-2784 **E-mail:** Ed\_Flanagan@labor.state.ak.us

### **BRU Mission**

The mission of the Office of the Commissioner is to provide support and policy direction to divisions within the department.

### **BRU Services Provided**

The Commissioner's Office component provides direction to the department's divisions in the administration of the department's programs.

The Alaska Labor Relations Agency component facilitates the resolution of disputes between organized labor and public employers in the state. The Agency promotes cooperative relations between government and its employees and protects the public's interest in the provision of uninterrupted government services.

The Alaska Human Resource Investment Council facilitates coordination of state workforce development programs in order to better serve Alaska's job seekers and employers.

### **BRU Goals and Strategies**

#### **1) PROMOTE EMPLOYMENT AND TRAINING OPPORTUNITIES FOR ALASKANS**

- Increase the public's access to employment services.
- Participate in economic development activities.
- Strengthen the involvement of business and industry in developing Alaska's workforce.
- Monitor the utilization of training dollars and promote increased training opportunities.

#### **2) ASSIST IN PROVIDING UNINTERRUPTED GOVERNMENT SERVICES.**

- Conduct training sessions on the Public Employment Relations Act.
- Provide mediation and conciliation services.

### **Key BRU Issues for FY2002 – 2003**

Implement the Alaska State Training Employment Program plan.

Prepare and plan for the maximum use of Alaska's resident workforce for the construction and operation of any potential Alaska gas line, ANWR development and/or missile defense installation.

Coordinate the employment and job training function for multi-departmental efforts to assist communities experiencing economic distress.

Address customer service issues related to statewide inspection backlogs and wage and hour requests.

Assist in providing uninterrupted government services to the public by conducting all certification and decertification elections within statutory requirements.

Further reduce the backlog of cases by continuing to apply streamlined procedures to bargaining unit clarification cases.

## Major BRU Accomplishments in 2001

Established performance standards for employment and training programs.

Set policy for determining training provider eligibility.

Promulgated regulations governing the AHRIC and State Training Employment Program.

In 2000, 3,984 more Alaskans were employed than in 1999 and wages earned by Alaskans increased by \$389.2 million. The number of nonresident workers remained virtually the same as 1999, with an additional 160 nonresidents working in Alaska in 2000 over 1999. Wages paid to nonresident workers increased by \$52.9 million in 2000 over 1999. Residency was based upon Permanent Fund Dividend data.

Applied streamlined unit clarification procedures, which reduced the backlog of petitions on the supervisory status of State employees. Emphasis was placed on resolving older cases that were filed prior to 1999, while conducting investigations on new cases filed. Most of the oldest cases have been resolved. The number of open petitions has not changed substantially, as 21 cases were filed and 22 cases were concluded in FY2001. Approximately half of the cases filed in FY2001 have been resolved, thereby improving the average amount of time for resolution.

Applied streamlined unfair labor practice charge procedures to resolve new cases more rapidly. Emphasized resolving older cases that were of a lower priority, thereby eliminating the backlog of cases filed in 1998 and 1999. One of the older cases was very complex and time consuming. Handled investigation of high priority cases filed in an average of 36 days.

## Key Performance Measures for FY2003

### Measure:

The percentage of divisions in the department that meet assigned performance measures.  
Sec 88(b)(1) Ch 90 SLA 2001(HB 250)

### Background and Strategies:

The Commissioner's office monitors program performance through regular communications with division directors at weekly staff meetings.

### Measure:

The number of financial audit exceptions resolved.  
Sec 88(b)(2) Ch 90 SLA 2001(HB 250)

### Alaska's Target & Progress:

The department's goal for resolution of audit findings is to implement corrective action within one year and obtain federal final resolution within three years of the initial identification of the audit finding. No baseline data is currently available for this measure. The agency has made progress in achieving this goal and the number of audit findings have also decreased over past three years as shown below:

#### FY00 FEDERAL COMPLIANCE FINDINGS – AGENCY CORRECTIVE ACTION IMPLEMENTED

- Improve controls on property management - tagging and listing of property – corrected
- Distribute data processing personal services cost according to regulations – corrected

#### FY99 FEDERAL COMPLIANCE FINDINGS - FEDERAL FINAL DETERMINATION

- Three quarterly reports did not match state accounting system – resolved
- Unsubstantiated and questionable report data – resolved
- Incorrect revenue figures and untimely revenue billings – resolved
- Lack of follow up on subrecipient audit findings – resolved

FY98 Federal compliance findings are in the initial determination phase and are being addressed with the Federal Office of Inspector General.

### Benchmark Comparisons:

Released December 15th  
12/18/2001 3:43

FY2003 Governor  
Department of Labor and Workforce Development

This performance measure does not readily lend itself to comparison with other entities because there are no existing performance standards established, and the resolution of audit findings is related to their complexity and to the nature of the organization's business.

**Background and Strategies:**

Federal financial audit exceptions are initially identified by the annual compliance audit. Although corrective actions are implemented by the agency, the final resolution of these audit findings is a multi year process requiring additional agency monitoring and paperwork. Generally, the process is:

- Agency implements corrective action to initial finding, and initiates monitoring
- Reviewed and re-reported in subsequent annual audits as a continuing and/or prior year finding
- Review and Initial determination by Federal Resolution and Appeals
- Agency responds to Initial determination
- Review and Final determination by Federal Resolution and Appeals

The Federal Final determination generally occurs two to three years after the original audit, but not necessarily in chronological order. For example, a final determination for the FY99 findings was received prior to an initial determination for the FY98 findings. Although some of the findings are the same in both reports, a final determination for one year does not resolve the issue for subsequent years.

**STRATEGIES**

To achieve this performance measure, resolution of audit findings is coordinated and monitored by DOL's Internal Audit. In addition, Internal Audit works to limit the potential for audit findings by documenting and reviewing areas of weakness that are identified through the annual federal compliance audit process, but are not yet considered an audit finding.

**Measure:**

The average time taken to respond to complaints and questions that have been elevated to the commissioner's office.  
Sec 88(b)(3) Ch 90 SLA 2001(HB 250)

**Background and Strategies:**

The Commissioner's office policy is 24 hour turn around on telephone calls and basic information requests if at all possible. If the inquiry is more complicated, the initial contact is still made within 24 hours and we work on resolution and stay in contact with the individual until the information is obtained and passed on to the individual. This policy does not extend to Commissioner level appeals, such as Unemployment Insurance cases, as there are standards and processes already in place.



**Office of the Commissioner**  
**BRU Financial Summary by Component**

*All dollars in thousands*

|                            | General<br>Funds | FY2001<br>Federal<br>Funds | Actuals<br>Other<br>Funds | Total<br>Funds | General<br>Funds | FY2002<br>Federal<br>Funds | Authorized<br>Other<br>Funds | Total<br>Funds | General<br>Funds | FY2003<br>Federal<br>Funds | Governor<br>Other<br>Funds | Total<br>Funds |
|----------------------------|------------------|----------------------------|---------------------------|----------------|------------------|----------------------------|------------------------------|----------------|------------------|----------------------------|----------------------------|----------------|
| <b><u>Formula</u></b>      |                  |                            |                           |                |                  |                            |                              |                |                  |                            |                            |                |
| <b><u>Expenditures</u></b> |                  |                            |                           |                |                  |                            |                              |                |                  |                            |                            |                |
| None.                      |                  |                            |                           |                |                  |                            |                              |                |                  |                            |                            |                |
| <b><u>Non-Formula</u></b>  |                  |                            |                           |                |                  |                            |                              |                |                  |                            |                            |                |
| <b><u>Expenditures</u></b> |                  |                            |                           |                |                  |                            |                              |                |                  |                            |                            |                |
| Human Res                  | 0.0              | 0.0                        | 468.8                     | 468.8          | 0.0              | 0.0                        | 407.9                        | 407.9          | 0.0              | 0.0                        | 749.5                      | 749.5          |
| Investment                 |                  |                            |                           |                |                  |                            |                              |                |                  |                            |                            |                |
| Council                    |                  |                            |                           |                |                  |                            |                              |                |                  |                            |                            |                |
| Commissioner's             | 394.5            | 0.0                        | 164.6                     | 559.1          | 353.3            | 80.5                       | 122.1                        | 555.9          | 360.3            | 0.0                        | 320.3                      | 680.6          |
| Office                     |                  |                            |                           |                |                  |                            |                              |                |                  |                            |                            |                |
| Alaska Labor               | 317.3            | 0.0                        | 7.4                       | 324.7          | 332.3            | 0.0                        | 0.0                          | 332.3          | 342.0            | 0.0                        | 0.0                        | 342.0          |
| Relations                  |                  |                            |                           |                |                  |                            |                              |                |                  |                            |                            |                |
| Agency                     |                  |                            |                           |                |                  |                            |                              |                |                  |                            |                            |                |
| <b>Totals</b>              | <b>711.8</b>     | <b>0.0</b>                 | <b>640.8</b>              | <b>1,352.6</b> | <b>685.6</b>     | <b>80.5</b>                | <b>530.0</b>                 | <b>1,296.1</b> | <b>702.3</b>     | <b>0.0</b>                 | <b>1,069.8</b>             | <b>1,772.1</b> |

## Office of the Commissioner

## Proposed Changes in Levels of Service for FY2003

The AHRIC will be taking over the management and technical assistance of the post secondary Carl Perkins Program going to six regional community colleges as well as taking over the management, assessment and technical assistance responsibilities for the certification of the post secondary vocational education institutions.

The AHRIC will also operate WorkStar which is an initiative by the Governor to recognize the outstanding welfare to work employers and employees. Gaining an understanding of the needs of welfare recipients transitioning to employment and the concerns of employers is an important concern of the AHRIC.

The Commissioner's Office added a Gas Pipeline Liaison position in the FY 2002 Management Plan. The position will represent the department in all inter- and intra-agency deliberations; provide liaison and outreach to external stakeholders with regard to employment and training of Alaskan workers and socio-economic impacts in general; and provide for appropriate review of mechanical, electrical and health and safety issues attendant to the application process.

## Office of the Commissioner

## Summary of BRU Budget Changes by Component

## From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>685.6</b>         | <b>80.5</b>          | <b>530.0</b>       | <b>1,296.1</b>     |
| <b>Adjustments which will continue current level of service:</b> |                      |                      |                    |                    |
| -Human Res Investment Council                                    | 0.0                  | 0.0                  | 8.9                | 8.9                |
| -Commissioner's Office   | 7.0                  | -80.5                | 88.3               | 14.8               |
| -Alaska Labor Relations Agency                                   | 9.7                  | 0.0                  | 0.0                | 9.7                |
| <b>Proposed budget increases:</b>                                |                      |                      |                    |                    |
| -Human Res Investment Council                                    | 0.0                  | 0.0                  | 332.7              | 332.7              |
| -Commissioner's Office   | 0.0                  | 0.0                  | 109.9              | 109.9              |
| <b>FY2003 Governor</b>   | <b>702.3</b>         | <b>0.0</b>           | <b>1,069.8</b>     | <b>1,772.1</b>     |

## **Component: Alaska Human Resources Investment Council**

**Contact: Jim Sanders, Executive Director**

**Tel:** (907) 269-7490 **Fax:** (907) 269-7489 **E-mail:** Jim\_Sanders@gov.state.ak.us

### **Component Mission**

Facilitate the creation and maintenance of an efficient, effective, and integrated human resource investment system that provides employment education and training services to assure Alaska's employers have a skilled workforce and Alaska workers have employment choices.

### **Component Services Provided**

The AHRIC provides oversight for program coordination among Alaska's human resource investment programs, sets program performance standards and measurements, performs evaluations of program performance to ensure system quality and accountability, and provides recommendations for human resource investment program improvement to the Governor and the Legislature.

- Provide single point of contact with programs, legislature and administration for reporting program performance and system activity.
- Increase coordination and cost-effectiveness, and reduce duplication of effort between programs to serve job seekers and employers.
- Continue to support the creation and activities of the Business Learning Consortia for Alaska's industries.

### **Component Goals and Strategies**

Assure Alaska's employers have a skilled workforce and Alaska workers have employment choices.

- Develop an efficient, effective, and integrated human resource investment system benefiting both Alaska's employers and workforce.
- Evaluate each program under AHRIC's oversight to optimize participant employability.
- Ensure access to quality employment education, training and employment services statewide, particularly to rural areas and for economically disadvantaged citizens.
- Strengthen the involvement of business and industry in developing Alaska's workforce.
- Advocate for Alaska's human resource investment programs and promote continuous improvement through evaluation, access, quality and employer involvement.

### **Key Component Issues for FY2002 – 2003**

- Continue Implementation of Workforce Investment Act.
- Continue implementation of 1999 state legislation affecting AHRIC.
- Implement Alaska State Training Employment Program plan.
- Perform continuing industry needs assessments for developing strategies.
- Continue Implementation of "Alaska's Future Workforce Strategic Policies and Investment Blueprint".

### **Major Component Accomplishments in 2001**

- Established performance standards for employment and training programs.
- Set policy for determining training provider eligibility.
- Developed a priority training list for the Alaska Technical and Vocational Education Program.
- Provided program report to Governor and Legislature with benchmarks for program assessment.
- Revised the Three Year Strategic Plan and set objectives for implementing the Blueprint recommendations.
- Issued a Solicitation of Interest for Regional Training Centers and provided a priority list to US Senator Ted Stevens.
- Promulgated regulations governing the AHRIC and State Training Employment Program.
- Issued a White Paper "Alaska's Skilled Worker Shortage: Crisis or Opportunity".
- Sponsored a statewide WIA Conference, a Employers One Stop Workshop and a Business-Legislative Conference.

## **Statutory and Regulatory Authority**

AS 44.19.620-627  
AS 23.15.550-810

## Alaska Human Resources Investment Council

### Component Financial Summary

*All dollars in thousands*

|                                | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--------------------------------|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>    |                |                   |                 |
| <b>Component Expenditures:</b> |                |                   |                 |
| 71000 Personal Services        | 290.5          | 285.7             | 381.9           |
| 72000 Travel                   | 61.8           | 48.4              | 82.4            |
| 73000 Contractual              | 98.8           | 65.3              | 260.2           |
| 74000 Supplies                 | 11.7           | 3.5               | 20.0            |
| 75000 Equipment                | 6.0            | 5.0               | 5.0             |
| 76000 Land/Buildings           | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims           | 0.0            | 0.0               | 0.0             |
| 78000 Miscellaneous            | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>      | <b>468.8</b>   | <b>407.9</b>      | <b>749.5</b>    |
| <b>Funding Sources:</b>        |                |                   |                 |
| 1007 Inter-Agency Receipts     | 468.8          | 407.9             | 749.5           |
| <b>Funding Totals</b>          | <b>468.8</b>   | <b>407.9</b>      | <b>749.5</b>    |

### Estimated Revenue Collections

| Description                         | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|-------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b><u>Unrestricted Revenues</u></b> |                        |                |                   |                      |                 |                 |
| None.                               |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>           |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b><u>Restricted Revenues</u></b>   |                        |                |                   |                      |                 |                 |
| Interagency Receipts                | 51015                  | 468.8          | 407.9             | 637.0                | 749.5           | 749.5           |
| <b>Restricted Total</b>             |                        | <b>468.8</b>   | <b>407.9</b>      | <b>637.0</b>         | <b>749.5</b>    | <b>749.5</b>    |
| <b>Total Estimated Revenues</b>     |                        | <b>468.8</b>   | <b>407.9</b>      | <b>637.0</b>         | <b>749.5</b>    | <b>749.5</b>    |

## Alaska Human Resources Investment Council

### Proposed Changes in Levels of Service for FY2003

**Carl Perkins Program** – The AHRIC will be taking over the management and technical assistance of the post secondary Carl Perkins Program going to six regional community colleges. This will be funded by an RSA from the Department of Education & Early Development (DOE) and will support an Education Specialist II. The position was included in the FY 2002 Management Plan and is not being added here. The financial management of these grants will remain a DOE function.

**WorkStar** – The WorkStar program is an initiative by the Governor to recognize the outstanding welfare to work employers and employees. This RSA from the Department of Health & Social Services will cover 50% of an existing AHRIC project coordinator. Gaining an understanding of the needs of welfare recipients transitioning to employment and the concerns of employers is an important concern of the AHRIC.

**Alaska Commission on Post Secondary Education** – The AHRIC will be taking over the management, assessment and technical assistance responsibilities for the certification of the post secondary vocational education institutions. The responsibility for the financial analysis of these institutions and the accreditation process will remain the responsibility of the Commission on Post Secondary Education.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>0.0</b>           | <b>0.0</b>           | <b>407.9</b>       | <b>407.9</b>       |
| <b>Adjustments which will continue current level of service:</b>       |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change from FY2002                           | 0.0                  | 0.0                  | 8.9                | 8.9                |
| <b>Proposed budget increases:</b>                                      |                      |                      |                    |                    |
| -Increase Interagency Authorization to Align with Anticipated Receipts | 0.0                  | 0.0                  | 332.7              | 332.7              |
| <b>FY2003 Governor</b>   | <b>0.0</b>           | <b>0.0</b>           | <b>749.5</b>       | <b>749.5</b>       |

## Alaska Human Resources Investment Council

## Personal Services Information

|               | Authorized Positions               |                                  | Personal Services Costs        |                |
|---------------|------------------------------------|----------------------------------|--------------------------------|----------------|
|               | <u>FY2002</u><br><u>Authorized</u> | <u>FY2003</u><br><u>Governor</u> |                                |                |
| Full-time     | 4                                  | 5                                | Annual Salaries                | 283,334        |
| Part-time     | 0                                  | 0                                | COLA                           | 9,181          |
| Nonpermanent  | 0                                  | 0                                | Premium Pay                    | 0              |
|               |                                    |                                  | Annual Benefits                | 89,336         |
|               |                                    |                                  | Less 0.00% Vacancy Factor      | (0)            |
|               |                                    |                                  | Lump Sum Premium Pay           | 0              |
| <b>Totals</b> | <b>4</b>                           | <b>5</b>                         | <b>Total Personal Services</b> | <b>381,851</b> |

## Position Classification Summary

| Job Class Title         | Anchorage | Fairbanks | Juneau   | Others   | Total    |
|-------------------------|-----------|-----------|----------|----------|----------|
| Education Specialist II | 1         | 0         | 0        | 0        | 1        |
| Executive Director      | 1         | 0         | 0        | 0        | 1        |
| Project Coordinator     | 3         | 0         | 0        | 0        | 3        |
| <b>Totals</b>           | <b>5</b>  | <b>0</b>  | <b>0</b> | <b>0</b> | <b>5</b> |

## **Component: Commissioner's Office**

### **Contact: Ed Flanagan, Commissioner**

**Tel:** (907) 465-2700 **Fax:** (907) 465-2784 **E-mail:** Ed\_Flanagan@labor.state.ak.us

## **Component Mission**

To foster and promote the welfare of the wage earners of the state, improve their working conditions and advance their opportunities for profitable employment.

## **Component Services Provided**

The department's programs affect all Alaskan workers and employers within the state. Strong direction from the Commissioner's Office is critical to the success of the services the Department provides.

## **Component Goals and Strategies**

### **1) DIRECT THE EFFICIENT ADMINISTRATION OF DEPARTMENTAL PROGRAMS.**

- Monitor the performance of each division to assure that division goals are met.

### **2) ENSURE THAT ALASKAN WORKERS ARE, PROVIDED SAFE AND HEALTHY WORKPLACES AND COMMUNITIES, PROTECTED FROM ECONOMIC HARDSHIP WHEN INJURED ON THE JOB, AND RECEIVE WAGES AND OVERTIME PAY IN ACCORDANCE WITH THE ALASKA WAGE ACT.**

- Work with legislators, industry associations, employers and labor organizations to explore and develop non-general fund revenue sources to maintain adequate levels of service.

### **3) PROMOTE EMPLOYMENT OPPORTUNITIES FOR THE STATE'S LABOR FORCE.**

- Participate in economic development activities within the state.
- Promote the expansion of training opportunities for Alaskans.

## **Key Component Issues for FY2002 – 2003**

Prepare and plan for the maximum use of Alaska's resident workforce for the construction and operation of any potential Alaska gas line, ANWR development and/or missile defense installation.

Through employment and job training services, participate in multi-agency effort (Operation Renew Hope) to alleviate economic distress in fisheries disaster sections of rural Alaska.

Coordinate the employment and job training function for multi-departmental efforts to assist communities experiencing economic distress.

Address customer service issues related to statewide inspection backlogs and wage and hour requests.

## **Major Component Accomplishments in 2001**

Based upon preliminary 2000 resident hire information:

In 2000, 3,984 more Alaskans were employed than in 1999 and wages earned by Alaskans (residency based upon Permanent Fund Dividend data) increased by \$389.2 million.

The number of nonresident workers remained virtually the same as 1999, with an additional 160 nonresidents working in Alaska in 2000 over 1999. The increase in total nonresident workers was the result of more nonresident workers in the mining and state government industry sectors. Wages paid to nonresident workers increased by \$52.9 million in 2000 over 1999.



## **Statutory and Regulatory Authority**

AS 05.20  
AS 08.18, 08.52  
AS 16.10.280  
AS 18.31, 18.60, 18.62, 18.63  
AS 23  
AS 36  
AS 37.07  
AS 42.40.705 - 42.40.890  
AS 44.31  
CH 95, SLA 89  
CH 17, SLA 91  
CH 17, SLA 93

## Commissioner's Office

### Component Financial Summary

*All dollars in thousands*

|   | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>               |                |                   |                 |
| <b>Component Expenditures:</b>            |                |                   |                 |
| 71000 Personal Services                   | 475.4          | 466.4             | 591.1           |
| 72000 Travel                              | 33.4           | 22.2              | 22.2            |
| 73000 Contractual                         | 41.7           | 56.8              | 56.8            |
| 74000 Supplies                            | 8.2            | 8.7               | 10.5            |
| 75000 Equipment                           | 0.4            | 1.8               | 0.0             |
| 76000 Land/Buildings                      | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims                      | 0.0            | 0.0               | 0.0             |
| 78000 Miscellaneous                       | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>                 | <b>559.1</b>   | <b>555.9</b>      | <b>680.6</b>    |
| <b>Funding Sources:</b>                   |                |                   |                 |
| 1002 Federal Receipts                     | 0.0            | 80.5              | 0.0             |
| 1004 General Fund Receipts                | 394.5          | 353.3             | 360.3           |
| 1007 Inter-Agency Receipts                | 164.6          | 122.1             | 237.9           |
| 1061 Capital Improvement Project Receipts | 0.0            | 0.0               | 82.4            |
| <b>Funding Totals</b>                     | <b>559.1</b>   | <b>555.9</b>      | <b>680.6</b>    |

### Estimated Revenue Collections

| Description                          | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b><u>Unrestricted Revenues</u></b>  |                        |                |                   |                      |                 |                 |
| None.                                |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>            |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b><u>Restricted Revenues</u></b>    |                        |                |                   |                      |                 |                 |
| Federal Receipts                     | 51010                  | 0.0            | 80.5              | 0.0                  | 0.0             | 0.0             |
| Interagency Receipts                 | 51015                  | 164.6          | 122.1             | 230.0                | 237.9           | 237.9           |
| Capital Improvement Project Receipts | 51200                  | 0.0            | 0.0               | 0.0                  | 82.4            | 82.4            |
| <b>Restricted Total</b>              |                        | <b>164.6</b>   | <b>202.6</b>      | <b>230.0</b>         | <b>320.3</b>    | <b>320.3</b>    |
| <b>Total Estimated Revenues</b>      |                        | <b>164.6</b>   | <b>202.6</b>      | <b>230.0</b>         | <b>320.3</b>    | <b>320.3</b>    |

**Commissioner's Office****Proposed Changes in Levels of Service for FY2003**

The Commissioner's Office added a Gas Pipeline Liaison position in the FY 2002 Management Plan. The position will represent the department in all inter- and intra-agency deliberations; provide liaison and outreach to external stakeholders with regard to employment and training of Alaskan workers and socio-economic impacts in general; and provide for appropriate review of mechanical, electrical and health and safety issues attendant to the application process.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>353.3</b>         | <b>80.5</b>          | <b>122.1</b>       | <b>555.9</b>       |
| <b>Adjustments which will continue current level of service:</b>           |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change from FY2002                               | 7.0                  | 1.9                  | 5.9                | 14.8               |
| -Consolidate Federal Billings into Management Services                     | 0.0                  | -82.4                | 82.4               | 0.0                |
| <b>Proposed budget increases:</b>  |                      |                      |                    |                    |
| -Add Authorization to Support the DOL Liaison to the Gas Pipeline Position | 0.0                  | 0.0                  | 82.4               | 82.4               |
| -Increase Indirect Cost Plan Authorization in Commissioner's Office        | 0.0                  | 0.0                  | 27.5               | 27.5               |
| <b>FY2003 Governor</b>   | <b>360.3</b>         | <b>0.0</b>           | <b>320.3</b>       | <b>680.6</b>       |

## Commissioner's Office

## Personal Services Information

| Authorized Positions |                   | Personal Services Costs |                                  |                |
|----------------------|-------------------|-------------------------|----------------------------------|----------------|
|                      | <u>FY2002</u>     | <u>FY2003</u>           |                                  |                |
|                      | <u>Authorized</u> | <u>Governor</u>         |                                  |                |
| Full-time            | 6                 | 7                       | Annual Salaries                  | 456,767        |
| Part-time            | 0                 | 0                       | COLA                             | 15,004         |
| Nonpermanent         | 0                 | 0                       | Premium Pay                      | 0              |
|                      |                   |                         | Annual Benefits                  | 137,563        |
|                      |                   |                         | <i>Less 3.00% Vacancy Factor</i> | (18,280)       |
|                      |                   |                         | Lump Sum Premium Pay             | 0              |
| <b>Totals</b>        | <b>6</b>          | <b>7</b>                | <b>Total Personal Services</b>   | <b>591,054</b> |

## Position Classification Summary

| Job Class Title          | Anchorage | Fairbanks | Juneau   | Others   | Total    |
|--------------------------|-----------|-----------|----------|----------|----------|
| Commissioner             | 0         | 0         | 1        | 0        | 1        |
| Dep Commissioner         | 0         | 0         | 1        | 0        | 1        |
| Dol Safety Liaison       | 1         | 0         | 0        | 0        | 1        |
| Exec Secretary I         | 0         | 0         | 1        | 0        | 1        |
| Internal Auditor IV      | 0         | 0         | 1        | 0        | 1        |
| Regulations Spec II      | 0         | 0         | 1        | 0        | 1        |
| Spec Asst To The Comm II | 0         | 0         | 1        | 0        | 1        |
| <b>Totals</b>            | <b>1</b>  | <b>0</b>  | <b>6</b> | <b>0</b> | <b>7</b> |

## **Component: Alaska Labor Relations Agency**

### **Contact: Mark Torgerson, Hearing Examiner**

**Tel:** (907) 269-4895 **Fax:** (907) 269-4898 **E-mail:** Mark\_Torgerson@labor.state.ak.us

### **Component Mission**

To administer the Public Employment Relations Act and the labor relations provisions of the Alaska Railroad Corporation Act, thereby promoting cooperative relations between government and its employees and protecting the public by assuring effective and orderly operations of government.

### **Component Services Provided**

- Conducts elections on union representation for collective bargaining.
- Investigates unfair labor practice complaints, unit composition disputes, representation and other issues.
- Provides mediation and conciliation services where appropriate.
- Conducts prehearing conferences, hearings, and issues decisions.
- Considers employee claims for religious exemption from the obligation to pay monthly union dues.
- Determines strike eligibility of employees.
- Conducts periodic public meetings and training.

### **Component Goals and Strategies**

#### **1) ASSIST IN PROVIDING UNINTERRUPTED GOVERNMENT SERVICES TO THE PUBLIC.**

- Conduct all certification and decertification elections within statutory requirements.
- Reduce the time to complete investigations and issue decisions.
- Provide mediation and conciliation services in appropriate cases.

#### **2) REDUCE BACKLOG OF CASES.**

- Continue to apply streamlined procedures to bargaining unit clarification cases to further reduce backlog.
- Apply revised procedures on unfair labor practices to reduce the time to complete investigations.

#### **3) INCREASE AWARENESS OF PROGRAMS AND PROCEDURES.**

- Conduct outreach to employees and labor organizations in Anchorage, Fairbanks, and Juneau.
- Issue two agency newsletters to keep public informed of related activities, and provide training.
- Participate in monthly meetings of the Industrial Relations Research Association.

### **Key Component Issues for FY2002 – 2003**

Although we have substantially reduced the bargaining unit clarification backlog, we have not yet eliminated it. Unit clarification petitions continue to comprise the largest percentage of the Agency's caseload. These clarifications determine which bargaining unit a position belongs in. By applying our streamlined procedures, we continue to decrease

this backlog that began in 1996.

The Agency completed review of its regulations and drafted proposed amendments. An issue for FY2002-03 is to assure the completion of this process, including public comment, board review and discussion, and adoption or rejection of the proposals.

### **Major Component Accomplishments in 2001**

- Applied streamlined unit clarification procedures, which reduced the backlog of petitions on the supervisory status of State employees. Emphasis was placed on resolving older cases that were filed prior to 1999, while conducting investigations on new cases filed. Most of the oldest cases have been resolved. The number of open petitions has not changed substantially, as 21 cases were filed and 22 cases were concluded in FY2001. Approximately half of the cases filed in FY2001 have been resolved, thereby improving the average amount of time for resolution.

- Applied streamlined unfair labor practice charge procedures to resolve new cases more rapidly. Emphasized resolving older cases that were of a lower priority, thereby eliminating the backlog of cases filed in 1998 and 1999. One of the older cases was very complex and time consuming. Handled investigation of high priority cases filed in an average of 36 days.

- Processed nine representation and decertification petitions in FY2001. Of the nine petitions filed, two petitions were closed. One petition was withdrawn by petitioner (Haines Teacher's Association/NEA-AK/NEA vs. Haines Borough School District), and the other one was dismissed due to inaction by petitioner (International Union of Operating Engineers, Local 302, AFL-CIO vs. City of Unalaska). Two petitions are pending currently. One is a severance petition (filed by the Alaska Nurses Association), which seeks certification as the exclusive representative and decertification of the current representative (Education Support Staff Association/NEA-AK/NEA), for a new unit of nurses. The other pending petition (filed by the Alaska Public Employees Association/AFT), seeks to represent in a separate unit the Class I employees it now represents in a combined unit of Class I, II, and III Ketchikan Gateway Borough employees. Elections were conducted for the remaining five petitions. Three of the elections resulted in the certification as the exclusive representative (Laborers' International Union of Operating Engineers, Local 302, AFL-CIO, Skagway Teacher's Organization, NEA-AK/NEA, and International Union of North America, Local #942, AFL-CIO). One mid-level employee group employed by Matanuska Susitna Borough School District voted not to be represented in collective bargaining by the Public Employees Local 71, AFL-CIO. The remaining petition (filed by the Alaska State Employees Association/AFSCME Local 52, AFL-CIO), was for certification of a new unit of employees who work for the Human Rights Commission. The employees voted for the choice "no bargaining representative."

- Issued three amended certifications. The unit amendment petitions filed by Chatham Education Support Personnel Association/NEA-AK and Aleutians East Education Support Personnel Association/NEA-AK were to end the affiliation with NEA-AK. The third unit amendment petition filed by the Alaska Higher Education Crafts & Trades Employees, Local 6070/APEA/AFL-CIO was to change the name from University of Alaska Classified Employees Association.

- Conducted outreach in Anchorage, Juneau, and Fairbanks. Gave two presentations on PERA to the Association of Alaska School Boards. Assisted the Alaska State Employees Association in training its judicial panel members. Gave presentation to Alaska chapter of Industrial Research Association members to increase awareness of Agency programs and procedures.

- Continued to cross-train staff to allow more flexibility in handling workload priorities.

### **Statutory and Regulatory Authority**

AS 23.05.360-23.05.390  
AS 23.40.070-23.40.260  
AS 42.40.705-42.40.890  
8 AAC 97.010-990

## Alaska Labor Relations Agency

### Component Financial Summary

*All dollars in thousands*

|                                 | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---------------------------------|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>     |                |                   |                 |
| <b>Component Expenditures:</b>  |                |                   |                 |
| 71000 Personal Services         | 276.1          | 287.4             | 297.1           |
| 72000 Travel                    | 10.5           | 13.0              | 13.0            |
| 73000 Contractual               | 25.6           | 27.6              | 27.6            |
| 74000 Supplies                  | 11.0           | 3.9               | 4.3             |
| 75000 Equipment                 | 1.5            | 0.4               | 0.0             |
| 76000 Land/Buildings            | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims            | 0.0            | 0.0               | 0.0             |
| 78000 Miscellaneous             | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>       | <b>324.7</b>   | <b>332.3</b>      | <b>342.0</b>    |
| <b>Funding Sources:</b>         |                |                   |                 |
| 1004 General Fund Receipts      | 317.3          | 332.3             | 342.0           |
| 1053 Investment Loss Trust Fund | 7.4            | 0.0               | 0.0             |
| <b>Funding Totals</b>           | <b>324.7</b>   | <b>332.3</b>      | <b>342.0</b>    |

### Estimated Revenue Collections

| Description                         | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|-------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b><u>Unrestricted Revenues</u></b> |                        |                |                   |                      |                 |                 |
| Investment Loss Trust Fund          | 51393                  | 7.4            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>           |                        | <b>7.4</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b><u>Restricted Revenues</u></b>   |                        |                |                   |                      |                 |                 |
| None.                               |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Restricted Total</b>             |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b>Total Estimated Revenues</b>     |                        | <b>7.4</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |

## Alaska Labor Relations Agency

## Proposed Changes in Levels of Service for FY2003

No changes to component services are anticipated.

## Summary of Component Budget Changes

## From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>332.3</b>         | <b>0.0</b>           | <b>0.0</b>         | <b>332.3</b>       |
| <b>Adjustments which will continue<br/>current level of service:</b> |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change<br>from FY2002                      | 9.7                  | 0.0                  | 0.0                | 9.7                |
| <b>FY2003 Governor</b>   | <b>342.0</b>         | <b>0.0</b>           | <b>0.0</b>         | <b>342.0</b>       |



## Alaska Labor Relations Agency

## Personal Services Information

|               | Authorized Positions               |                                  | Personal Services Costs          |                |
|---------------|------------------------------------|----------------------------------|----------------------------------|----------------|
|               | <u>FY2002</u><br><u>Authorized</u> | <u>FY2003</u><br><u>Governor</u> |                                  |                |
| Full-time     | 4                                  | 4                                | Annual Salaries                  | 220,819        |
| Part-time     | 0                                  | 0                                | COLA                             | 7,857          |
| Nonpermanent  | 0                                  | 0                                | Premium Pay                      | 0              |
|               |                                    |                                  | Annual Benefits                  | 71,407         |
|               |                                    |                                  | <i>Less 1.00% Vacancy Factor</i> | (2,993)        |
|               |                                    |                                  | Lump Sum Premium Pay             | 0              |
| <b>Totals</b> | <b>4</b>                           | <b>4</b>                         | <b>Total Personal Services</b>   | <b>297,090</b> |

## Position Classification Summary

| Job Class Title          | Anchorage | Fairbanks | Juneau   | Others   | Total    |
|--------------------------|-----------|-----------|----------|----------|----------|
| Administrative Clerk III | 1         | 0         | 0        | 0        | 1        |
| Hearing Examiner         | 1         | 0         | 0        | 0        | 1        |
| Hearing Officer          | 1         | 0         | 0        | 0        | 1        |
| Personnel Specialist I   | 1         | 0         | 0        | 0        | 1        |
| <b>Totals</b>            | <b>4</b>  | <b>0</b>  | <b>0</b> | <b>0</b> | <b>4</b> |

## **Workers' Compensation Budget Request Unit**

**Contact: Paul Grossi, Director**

**Tel:** (907) 465-2790 **Fax:** (907) 465-2797 **E-mail:** Paul\_Grossi@labor.state.ak.us

### **BRU Mission**

The mission of the Division of Workers' Compensation is to ensure that injured Alaska workers receive fair benefits.

### **BRU Services Provided**

The Workers' Compensation component is the administrative arm of the Alaska Workers' Compensation Board, enforcing the Workers' Compensation Act.

The Fishermen's Fund component provides for the care and treatment of Alaska commercial fishermen whose injuries or illnesses are directly connected to operations as fishermen on shore or in Alaska waters.

The Second Injury Fund component ensures that workers' compensation insurance premiums for employees suffering from a condition caused by an earlier injury are equivalent to those of able-bodied workers.

### **BRU Goals and Strategies**

1) ASSURE THAT EMPLOYEES ARE PROPERLY COMPENSATED FOR THEIR WORK RELATED INJURIES OR ILLNESSES AND THAT EMPLOYERS RIGHTS ARE PROTECTED.

- Perform uninsured employer investigations.
- Improve scheduling process and increase the number of workers' compensation hearings.
- Maintain database of all aspects of workers' compensation in the State of Alaska.
- Increase efficiencies through the development of an electronic filing system with the new Information Handling System.
- Improve mediation process for workers' compensation disputes.
- Provide for general compliance with the Workers' Compensation Act.

2) PROPERLY MONITOR PAYMENTS TO AND FROM THE SECOND INJURY FUND TO ASSURE THE VIABILITY AND STABILITY OF THE FUND.

- Closely monitor Second Injury reimbursements to establish the correct formula for contribution rates from employers.
- Enforce late filing penalties to encourage timely submission of compensation reports.
- Develop a more efficient method of recording and crediting Second Injury Fund payments.

3) INCREASE COMMUNICATION AND CREATE EFFICIENCIES TO REDUCE THE FINANCIAL BURDEN ON FISHERMEN.

- Develop and implement an electronic information handling system which will be compatible with electronic filing.
- Enhance and facilitate services to fishermen and providers by meeting with hospital administrators and fishing organizations to discuss the program, problems and suggestions for improvement.
- Improve communications with insurance carriers, fishermen and providers.
- Continue to improve and refine the Fishermen and Physician's Reports of Injury/Illness.

- Further revise and simplify the Fishermen's Fund booklet.

### **Key BRU Issues for FY2002 – 2003**

- Decrease the Workers' Compensation hearing time lag in order to reduce the burden and expense to employers and employees.
- Continue investigations of potentially uninsured employers in an attempt to eliminate the number of uninsured Alaskan workers that are injured each year.
- Due to the Supreme Court decision in Arctic Bowl v Second Injury Fund as well as other causes there has been an increase in the number of approvals for recovery from the Fund. Budget increases in FY01 and FY02 were granted to deal with this issue, but this needs to be followed closely to assure that there are sufficient funds to cover increased liabilities.
- Initiate a pilot project for electronic data interchange (electronic filing) to increase efficiencies which will allow for more effective use of human resources. A capital project to fund this has been submitted for inclusion in the FY 2003 budget.
- The Fishermen's Fund has been using an outdated computerized database and claims handling system that is becoming obsolete and will soon be unsupportable. Consequently existing program resources are being applied to developing a new claims handling system.
- Increase Alaska commercial fishermen's awareness of the Fishermens Fund program through meetings, speaking engagements and availability of literature related to the program. This continues to be a key issue of this program due to nature and level of activity in this industry.
- Strive to further improve the response time in the processing of claims, invoices and responding to inquiries.

### **Major BRU Accomplishments in 2001**

- This BRU has greatly reduced its reliance on pure general funds with the development of the Workers' Safety and Compensation Fund.
- This BRU developed improvements to the new Information Handling System computer program allowing greater and more accurate availability of workers' compensation data.
- The Division and the Department worked with the Legislature to create an increment in the FY02 budget which allowed for the hiring of a new hearing officer providing the resources to address hearing time lag and back log.
- There continue to be reductions in the number of uninsured workplace injuries as a result of investigative efforts by the department that identify and contact potentially uninsured employers prior to an injury occurring.
- The Second Injury Fund received approximately 80% of the annual reports electronically and approximately 95% of all annual reports were filed timely.
- As a result of Council recommendations, the Fishermen and Physician's Reports of Injury/Illness and informational booklet continues to be revised and simplified.
- The Fishermen's Fund has increased communications with providers which has resulted in improved service.

### **Key Performance Measures for FY2003**

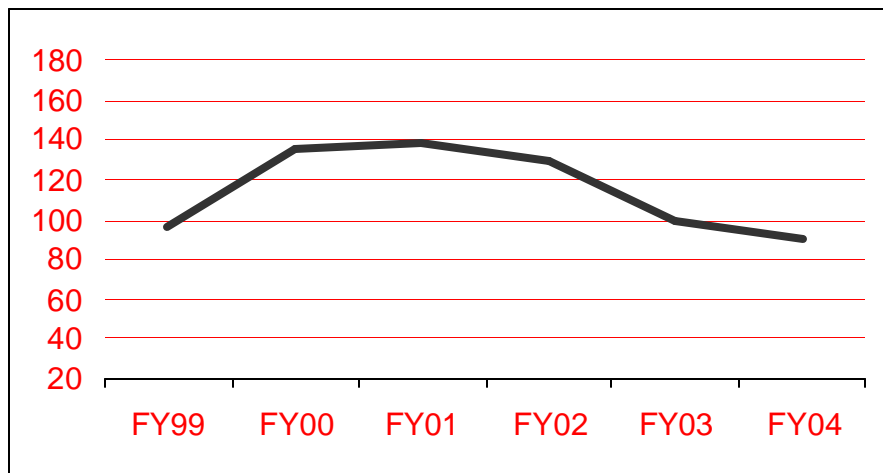
#### **Measure:**

The average time taken from a compensation hearing request until the date on which the hearing is scheduled.  
Sec 90(b)(1) Ch 90 SLA 2001(HB 250)

#### **Alaska's Target & Progress:**

Released December 15th  
12/18/2001 3:43

FY2003 Governor  
Department of Labor and Workforce Development



Reduce the time lag between the request and scheduling of a hearing.

FY99 - 95.8 days

FY00 - 135.6 days

FY01 - 137.7 days

FY02 - 130 days (projection)

FY03 - 100 days (projection)

FY04 - 90 days (projection)

The time lag has gotten worse because of two major factors: the hearing case load has been going up; and because of funding reductions, we had fewer hearing officers.

#### Benchmark Comparisons:

The benchmark for this measurement is 90 days. This is based on AS 23.30.110(c). This subsection of the statute provides for a hearing to be scheduled within 60 days of request if not opposed by a party. If an opposition is filed, as they are in the vast majority of cases, a prehearing must be held within 30 days to set a hearing. If the hearing is scheduled within 60 days from the prehearing, 90 days to set a hearing from the date of request is a reasonable benchmark. The division expects to be able to begin meeting the 90 day benchmark in FY04 if the current level of funding is not reduced.

#### Background and Strategies:

The increase in the hearing time lag was noted in FY00. There was an elimination of a hearing officer as a result of budget cuts, and at the same time there was a corresponding rise in the overall hearing caseload. The legislature granted an increment in the FY02 budget for an additional hearing officer to address the problem. The hearing officer was hired in September of 2001 and additional hearings are currently being scheduled.

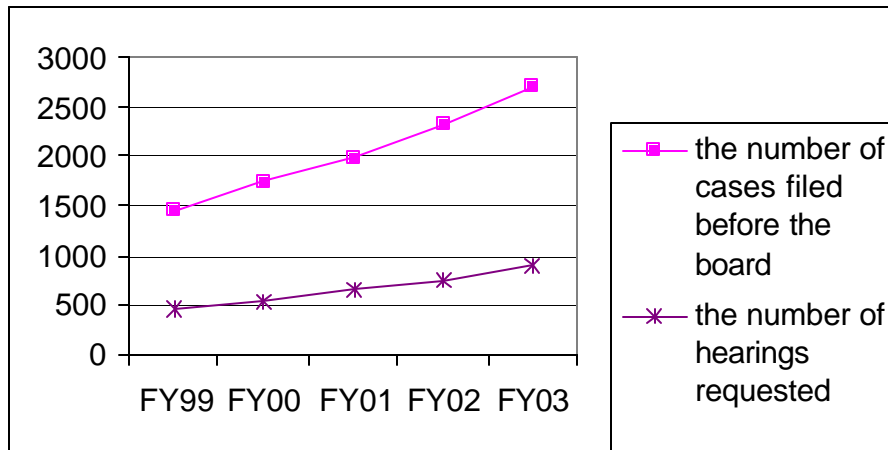
The Department promulgated and the Workers' Compensation Board approved a new regulation that would require hearings to be scheduled within 60 days from prehearings to further define the legislative intent in AS 23.30.110(c). The regulation will have to be approved by the Department of Law and filed by the Lieutenant Governor to become final. The department anticipates that it will be finalized and in place by the end of fiscal year 2002.

An additional Workers' Compensation Board panel in the Anchorage venue would expedite the handling of cases to both reduce the time lag and address the back log. The department will present this situation to the legislature.

#### Measure:

The number of cases filed before the Workers' Compensation Board compared to the number of requests for hearing. Sec 90(b)(2) Ch 90 SLA 2001(HB 250)

#### Alaska's Target & Progress:



Determine the hearing caseload

FY99 - 1446 cases filed - 459 hearings requested

FY00 - 1746 cases filed - 539 hearings requested

FY01 - 1987 cases filed - 651 hearings requested

FY02 - 2324 cases filed - 760 hearings requested (projections based on current trends)

FY03 - 2700 cases filed - 890 hearings requested (projections based on current trends)

#### Benchmark Comparisons:

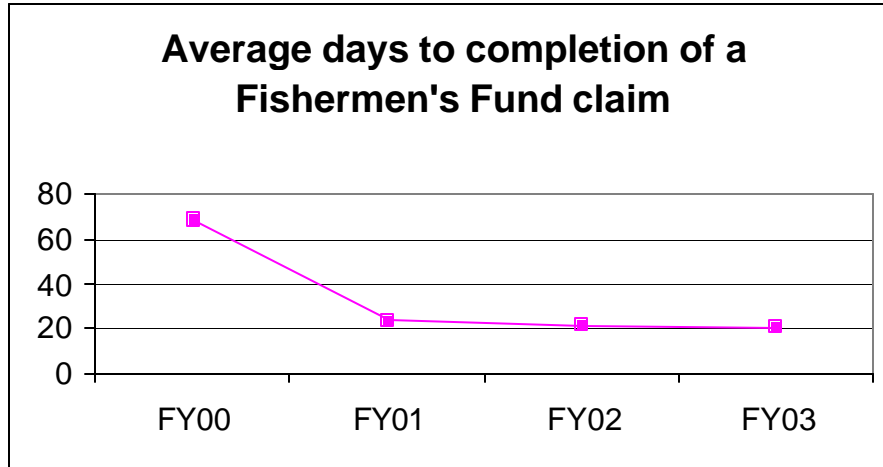
There is no benchmark for this measure. This measurement will help determine the hearing caseload to give better understanding to hearing time lag and backlog problems.

#### Background and Strategies:

This measurement was requested by the house legislative budget subcommittee and will track the increases in both the number of cases filed and the number of hearings. Not all cases filed reach the hearing stage as a number are settled or otherwise resolved prior to the arrival of the hearing date.

**Measure:**

The average time taken for completion of a Fishermen's Fund claim.  
 Sec 90(b)(3) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Reduce the average time to process a Fishermen's Fund Claim.

FY00 - 68.7 days  
 FY01 - 23.7 days  
 FY02 - 21 days (projection)  
 FY03 - 20 days (projection)

**Benchmark Comparisons:**

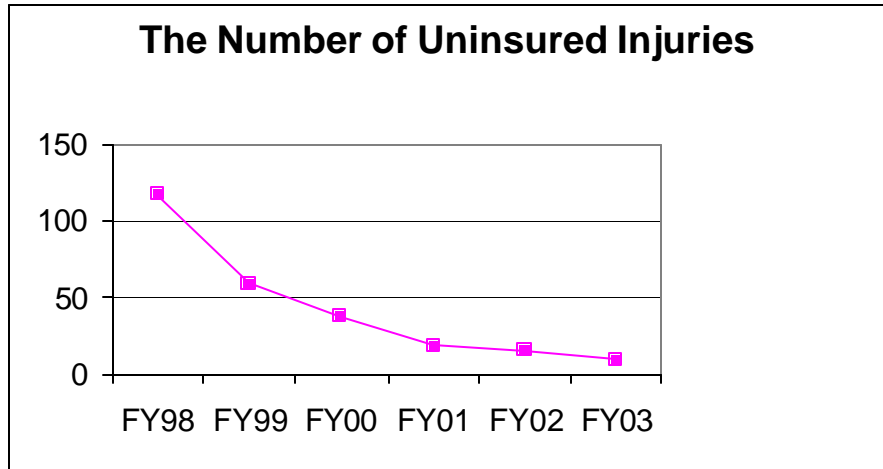
The Benchmark is 30 days. We chose this for the benchmark because the business, medical and insurance community generally accept 30-45 days as a reasonable turnaround time for the payment of bills.

**Background and Strategies:**

Because of complaints by fishermen and medical providers that the Fund was taking too long to pay claims, a strategy to reduce that time was needed. The agency developed a number of internal management policies to simplify the process, the forms and the requirements to create efficiencies and reduce processing time. The agency also developed a strategy of training and communicating with the providers and fishermen to aid in the filing of claims.

**Measure:**

The number of uninsured workplace injuries.  
 Sec 90(b)(4) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Reduction of uninsured injuries

FY98 - 117

FY99 - 59

FY00 - 38

FY01 - 19

FY02 - 15 (projections)

FY03 - 10 (projections)

**Benchmark Comparisons:**

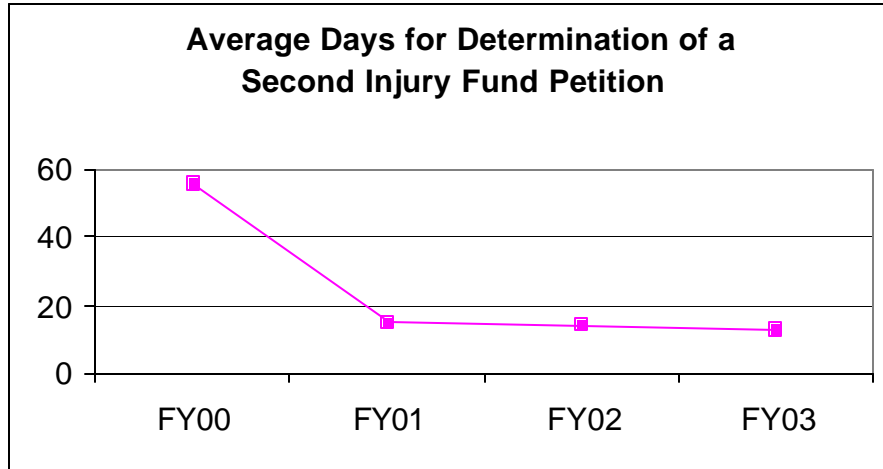
Since the law says that all employers must insure all their employees the benchmark for this must be zero uninsured injuries.

**Background and Strategies:**

Because of the rise of uninsured injuries the Division hired an investigator in FY99. The investigator performs investigations and promotes legal compliance through computer generated information inquiries; letters to uninsured employers; on site investigations, cease and desist orders, accusations before the Workers' Compensation Board; testimony before the Board which leads to stop orders and fines; and evidence and testimony in criminal prosecutions through the Department of Law. These activities have been greatly enhanced by the new computer system.

**Measure:**

The average time taken for completion of a Second Injury Fund petition.  
 Sec 90(b)(5) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Reduce response time on a Second Injury Fund petition determination.

FY00 - 56 days

FY01 - 15 days

FY02 - 14 days (projections)

FY03 - 13 days (projections)

**Benchmark Comparisons:**

The benchmark is 30 days. This benchmark is based on the premise that the insurance industry and general business practices consider 30 to 45 days to process payments a reasonable time period.

**Background and Strategies:**

Because the reimbursement of compensation benefits to employers is the primary function of the Second Injury Fund, and because of complaints about timeliness on decisions, monitoring the determination of Petitions for coverage is an important measure. The agency accomplished reductions by focusing on prioritizing the Petitions and organizing information gathering to make determinations as soon as possible. This effort was greatly enhanced by better computer tracking of these cases with the new computer system.



**Workers' Compensation**  
**BRU Financial Summary by Component**

*All dollars in thousands*

|  | FY2001 Actuals   |                  |                |                | FY2002 Authorized |                  |                |                | FY2003 Governor  |                  |                |                |
|--|------------------|------------------|----------------|----------------|-------------------|------------------|----------------|----------------|------------------|------------------|----------------|----------------|
|  | General<br>Funds | Federal<br>Funds | Other<br>Funds | Total<br>Funds | General<br>Funds  | Federal<br>Funds | Other<br>Funds | Total<br>Funds | General<br>Funds | Federal<br>Funds | Other<br>Funds | Total<br>Funds |
| <b><u>Formula</u></b><br><b><u>Expenditures</u></b><br>None. |                  |                  |                |                |                   |                  |                |                |                  |                  |                |                |
| <b><u>Non-Formula</u></b><br><b><u>Expenditures</u></b>      |                  |                  |                |                |                   |                  |                |                |                  |                  |                |                |
| Fishermens<br>Fund   | 0.0              | 0.0              | 746.4          | 746.4          | 0.0               | 0.0              | 1,307.8        | 1,307.8        | 0.0              | 0.0              | 1,312.2        | 1,312.2        |
| Workers'<br>Compensatio<br>n                                 | 1,370.4          | 0.0              | 1,061.9        | 2,432.3        | 785.6             | 0.0              | 1,772.4        | 2,558.0        | 173.5            | 0.0              | 2,436.3        | 2,609.8        |
| Second Injury<br>Fund  | 0.0              | 0.0              | 3,155.4        | 3,155.4        | 0.0               | 0.0              | 3,178.6        | 3,178.6        | 0.0              | 0.0              | 3,182.5        | 3,182.5        |
| <b>Totals</b>  | <b>1,370.4</b>   | <b>0.0</b>       | <b>4,963.7</b> | <b>6,334.1</b> | <b>785.6</b>      | <b>0.0</b>       | <b>6,258.8</b> | <b>7,044.4</b> | <b>173.5</b>     | <b>0.0</b>       | <b>6,931.0</b> | <b>7,104.5</b> |

**Workers' Compensation****Proposed Changes in Levels of Service for FY2003**

This BRU intends to increase overall effectiveness, industry awareness and the level of services, and number of hearings, as well as the number of uninsured employer investigations.

**Workers' Compensation****Summary of BRU Budget Changes by Component****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>785.6</b>         | <b>0.0</b>           | <b>6,258.8</b>     | <b>7,044.4</b>     |
| <b>Adjustments which will continue current level of service:</b> |                      |                      |                    |                    |
| -Fishermens Fund   | 0.0                  | 0.0                  | 4.4                | 4.4                |
| -Workers' Compensation   | -612.1               | 0.0                  | 663.9              | 51.8               |
| -Second Injury Fund  | 0.0                  | 0.0                  | 3.9                | 3.9                |
| <b>FY2003 Governor</b>   | <b>173.5</b>         | <b>0.0</b>           | <b>6,931.0</b>     | <b>7,104.5</b>     |

## **Component: Fishermens Fund**

### **Contact: Paul Grossi, Director**

**Tel:** (907) 465-2790 **Fax:** (907) 465-2797 **E-mail:** Paul\_Grossi@labor.state.ak.us

## **Component Mission**

Provide assistance with the medical costs of injuries or illnesses due to commercial fishing activities on shore or in state waters.

## **Component Services Provided**

The Fishermen's Fund, established in 1951, provides funds for the care and treatment of Alaska licensed commercial fishermen whose injuries or illnesses are directly connected to operations as fishermen. The Fund is not an insurance program, but an emergency fund payer of last resort.

The Fishermen's Fund revenue is generated through the sales of commercial fishing licenses and permits to both resident and non-residents. Sales of these licenses and permits are designated for the Fishermen's Fund at a fixed percentage (39% effective Jan. 1, 2000) of all commercial fishing licenses sold by all vendors and a fixed amount for all permits issued by the Commercial Fisheries Entry Commission.

## **Component Goals and Strategies**

### **1) REDUCE THE FINANCIAL BURDEN OF MEDICAL EXPENSES ON FISHERMEN BY MAKING THEM AWARE OF PROGRAM BENEFITS AND REQUIREMENTS.**

- The Fishermen's Fund Administrator and/or Council Chair plan on meeting with fishermen, medical providers, harbor masters and other interest groups a minimum of five times during FY2003 to discuss this program and answer questions.

- As a result of recent Council recommendations, the Fishermen and Physician's Reports of Injury/Illness will continue to be revised and simplified. In the past, these forms have presented some confusion in how they were to be completed and who was to complete them. This component is striving to provide more simplified versions of these forms.

### **2) PROVIDE BENEFITS IN A COST EFFECTIVE, TIMELY MANNER.**

- Develop and begin to implement an electronic information handling system which will be compatible with electronic filing.

- Continue to improve communications with insurance carriers and medical providers through discussion and timely processing of provider payments.

- Continue to monitor and attempt to improve response time to fishermen and providers by improving procedures and focusing staff responsibilities to more effectively utilize resources.

## **Key Component Issues for FY2002 – 2003**

- This component has been using an outdated computerized database and claims handling system that is becoming obsolete and will soon be unsupportable. Consequently existing program resources are being applied to developing a new claims handling system.

- Fishermen continue to either be unaware of this program or not understand the requirements of the program and the benefits for which they may be eligible. Meetings and discussions are scheduled and a toll free telephone line will be continued.

- Medical providers continue to be ill informed regarding the submission and completion of claims. As a result the Fishermen's Fund must continue to make an effort to educate and increase communications with various providers throughout the State.

### **Major Component Accomplishments in 2001**

- In FY01, this component continued the revisions of the Fishermen and Physician's Reports of Injury/Illness form and informational booklet in an ongoing effort to simplify this information for both the fishermen and the providers.
- In FY01 the Fisherman's Fund decreased the amount of time to process claims.

### **Statutory and Regulatory Authority**

AS 23.35  
8 AAC 55

## Fishermens Fund

### Component Financial Summary

*All dollars in thousands*

|  | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>              |                |                   |                 |
| <b>Component Expenditures:</b>           |                |                   |                 |
| 71000 Personal Services                  | 126.1          | 147.4             | 155.5           |
| 72000 Travel                             | 6.9            | 18.2              | 18.2            |
| 73000 Contractual                        | 69.9           | 263.1             | 259.4           |
| 74000 Supplies                           | 5.5            | 5.7               | 9.7             |
| 75000 Equipment                          | 3.7            | 4.0               | 0.0             |
| 76000 Land/Buildings                     | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims                     | 534.3          | 869.4             | 869.4           |
| 78000 Miscellaneous                      | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>                | <b>746.4</b>   | <b>1,307.8</b>    | <b>1,312.2</b>  |
| <b>Funding Sources:</b>                  |                |                   |                 |
| 1032 Disabled Fishermans Reserve Account | 746.4          | 1,307.8           | 1,312.2         |
| <b>Funding Totals</b>                    | <b>746.4</b>   | <b>1,307.8</b>    | <b>1,312.2</b>  |

### Estimated Revenue Collections

| Description                         | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|-------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b><u>Unrestricted Revenues</u></b> |                        |                |                   |                      |                 |                 |
| Disabled Fishermans Reserve Account | 51080                  | 746.4          | 1,307.8           | 1,180.8              | 1,312.2         | 1,189.2         |
| <b>Unrestricted Total</b>           |                        | <b>746.4</b>   | <b>1,307.8</b>    | <b>1,180.8</b>       | <b>1,312.2</b>  | <b>1,189.2</b>  |
| <b><u>Restricted Revenues</u></b>   |                        |                |                   |                      |                 |                 |
| None.                               |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Restricted Total</b>             |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b>Total Estimated Revenues</b>     |                        | <b>746.4</b>   | <b>1,307.8</b>    | <b>1,180.8</b>       | <b>1,312.2</b>  | <b>1,189.2</b>  |

## Fishermens Fund

### Proposed Changes in Levels of Service for FY2003

This component intends to continue to increase overall effectiveness and industry awareness of the program through presentations by the Administrator and Council Chair at major industry symposiums and meetings with fishermen organizations, medical providers and interest groups.

The component is also expanding telephonic and electronic communication between the Fund and medical providers to increase efficiencies related to the processing of claims.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>0.0</b>           | <b>0.0</b>           | <b>1,307.8</b>     | <b>1,307.8</b>     |
| <b>Adjustments which will continue<br/>current level of service:</b> |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change<br>from FY2002                      | 0.0                  | 0.0                  | 4.4                | 4.4                |
| <b>FY2003 Governor</b>   | <b>0.0</b>           | <b>0.0</b>           | <b>1,312.2</b>     | <b>1,312.2</b>     |

**Fishermens Fund****Personal Services Information**

| <b>Authorized Positions</b> |                          | <b>Personal Services Costs</b> |                                  |                |
|-----------------------------|--------------------------|--------------------------------|----------------------------------|----------------|
|                             | <b><u>FY2002</u></b>     | <b><u>FY2003</u></b>           |                                  |                |
|                             | <b><u>Authorized</u></b> | <b><u>Governor</u></b>         |                                  |                |
| Full-time                   | 3                        | 3                              | Annual Salaries                  | 113,228        |
| Part-time                   | 0                        | 0                              | COLA                             | 2,925          |
| Nonpermanent                | 0                        | 0                              | Premium Pay                      | 0              |
|                             |                          |                                | Annual Benefits                  | 44,118         |
|                             |                          |                                | <i>Less 3.00% Vacancy Factor</i> | (4,808)        |
|                             |                          |                                | Lump Sum Premium Pay             | 0              |
| <b>Totals</b>               | <b>3</b>                 | <b>3</b>                       | <b>Total Personal Services</b>   | <b>155,463</b> |

**Position Classification Summary**

| <b>Job Class Title</b> | <b>Anchorage</b> | <b>Fairbanks</b> | <b>Juneau</b> | <b>Others</b> | <b>Total</b> |
|------------------------|------------------|------------------|---------------|---------------|--------------|
| Worker Comp Off II     | 0                | 0                | 1             | 0             | 1            |
| Worker Comp Technician | 0                | 0                | 2             | 0             | 2            |
| <b>Totals</b>          | <b>0</b>         | <b>0</b>         | <b>3</b>      | <b>0</b>      | <b>3</b>     |

## **Component: Workers' Compensation**

**Contact: Paul Grossi, Director**

**Tel:** (907) 465-2790 **Fax:** (907) 465-2797 **E-mail:** Paul\_Grossi@labor.state.ak.us

### **Component Mission**

To ensure that eligible Alaskan workers are provided adequate medical care, prompt payment of benefits and, if needed, voluntary rehabilitative services.

### **Component Services Provided**

The Workers' Compensation Act, enacted in 1962, established a Board, currently consisting of 13 members, which helps establish policy regarding its mission, approves regulations and adjudicates disputes between employers and employees. This component is the administrative arm of the Board, investigating uninsured employers, tracking and recording all aspects of workers' compensation and providing information as requested. Other services include mediating workers' compensation disputes between employees and employers and attempting to resolve them informally. The program conducts prehearings and formal hearings, issues formal decisions and orders that are appealable to the courts, administers the volunteer reemployment benefits program and provides for general compliance with the Act.

### **Component Goals and Strategies**

1) ASSURE THAT EMPLOYEES ARE PROPERLY COMPENSATED FOR THEIR WORK RELATED INJURIES OR ILLNESSES .

- Identify and investigate uninsured employers to ensure all Alaskan workers who suffer a work related injury or illness are provided financial and medical benefits.
- Maintain a database of all aspects of workers' compensation activity in the State of Alaska.
- Mediate workers' compensation disputes between employers and employees and attempt to resolve them informally through prehearings.
- Conduct formal hearings before panels of the Workers' Compensation Board when an informal prehearing has not been successful. All Decision and Orders of the Board are appealable to the courts.
- Administer the volunteer reemployment benefits program which offers training to those injured workers whom, because of their workplace injuries, cannot return to their jobs.

2) IMPROVE PROCESS TO ENABLE INJURED WORKERS TO RECEIVE SERVICES QUICKLY AND EFFICIENTLY.

- Reduce hearing time lag so that cases can be heard and decided sooner, reducing burden and expense to affected parties by increasing the number of hearing being scheduled.
- Continue to provide information to the public and all interested parties through walk-in visits or by fax, mail, email or telephone resulting in a greater understanding of the workers' compensation system among the affected parties.
- Develop electronic data interchange (EDI) systems and internet filing systems to enhance the new information handling system and further increase efficiencies. Pursue pilot projects in proof of coverage and compensation payment reporting to accomplish this end.

### **Key Component Issues for FY2002 – 2003**

- Reduce the backlog and time lag in cases that require formal hearing.
- Increase claimant awareness and understanding of their rights under the Alaska Workers' Compensation Act.
- Investigate uninsured employers to enforce compliance with the law.



### **Major Component Accomplishments in 2001**

- Implemented a budget that resulted in a reduction in pure general fund and converted it to a fee based funding system through the Workers' Safety and Compensation Account.
- Worked with the legislature to increase funding to allow for the hiring of a new hearing officer position to reduce time lag and back-log of cases.
- Implementation of the workers' compensation information handling system. This system allows more accurate and detailed tracking of all workers' compensation activity, i.e. individual claims, employer, insurer and adjuster information, and individual rehabilitation information.

### **Statutory and Regulatory Authority**

AS 23.30  
8 AAC 45  
8 AAC 46

## Workers' Compensation

### Component Financial Summary

*All dollars in thousands*

|  | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>                                    |                |                   |                 |
| <b>Component Expenditures:</b>                                 |                |                   |                 |
| 71000 Personal Services  | 1,754.1        | 2,027.0           | 2,096.1         |
| 72000 Travel   | 47.0           | 46.7              | 46.7            |
| 73000 Contractual  | 326.2          | 256.0             | 251.7           |
| 74000 Supplies   | 135.8          | 57.3              | 57.3            |
| 75000 Equipment  | 25.9           | 14.4              | 14.4            |
| 76000 Land/Buildings   | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims   | 143.3          | 156.6             | 143.6           |
| 78000 Miscellaneous  | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>                                      | <b>2,432.3</b> | <b>2,558.0</b>    | <b>2,609.8</b>  |
| <b>Funding Sources:</b>  |                |                   |                 |
| 1004 General Fund Receipts                                     | 1,358.0        | 755.7             | 143.6           |
| 1005 General Fund/Program Receipts                             | 12.4           | 29.9              | 29.9            |
| 1007 Inter-Agency Receipts                                     | 42.4           | 46.5              | 47.9            |
| 1053 Investment Loss Trust Fund                                | 29.3           | 0.0               | 0.0             |
| 1157 Workers Safety and Compensation<br>Administration Account | 990.2          | 1,725.9           | 2,388.4         |
| <b>Funding Totals</b>  | <b>2,432.3</b> | <b>2,558.0</b>    | <b>2,609.8</b>  |

### Estimated Revenue Collections

| Description                            | Master<br>Revenue<br>Account | FY2001<br>Actuals | FY2002<br>Authorized | FY2002<br>Cash<br>Estimate | FY2003<br>Governor | FY2004<br>Forecast |
|--|------------------------------|-------------------|----------------------|----------------------------|--------------------|--------------------|
| <b>Unrestricted Revenues</b>           |                              |                   |                      |                            |                    |                    |
| None.                                  |                              | 0.0               | 0.0                  | 0.0                        | 0.0                | 0.0                |
| <b>Unrestricted Total</b>              |                              | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>                 | <b>0.0</b>         | <b>0.0</b>         |
| <b>Restricted Revenues</b>             |                              |                   |                      |                            |                    |                    |
| Interagency Receipts                   | 51015                        | 42.4              | 46.5                 | 46.5                       | 47.9               | 49.5               |
| General Fund Program<br>Receipts       | 51060                        | 12.4              | 29.9                 | 13.0                       | 29.9               | 13.5               |
| Workers Safety &<br>Compensation Admin | 51078                        | 990.2             | 1,725.9              | 1,725.9                    | 2,388.4            | 2,410.5            |
| Investment Loss Trust<br>Fund          | 51393                        | 29.3              | 0.0                  | 0.0                        | 0.0                | 0.0                |
| <b>Restricted Total</b>                |                              | <b>1,074.3</b>    | <b>1,802.3</b>       | <b>1,785.4</b>             | <b>2,466.2</b>     | <b>2,473.5</b>     |
| <b>Total Estimated<br/>Revenues</b>    |                              | <b>1,074.3</b>    | <b>1,802.3</b>       | <b>1,785.4</b>             | <b>2,466.2</b>     | <b>2,473.5</b>     |

**Workers' Compensation****Proposed Changes in Levels of Service for FY2003**

Increase effectiveness and level of services through efficiencies derived from the new Information Handling System by adding electronic filing capacity.

Increase the number of hearings to reduce the hearing time lag and backlog.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>785.6</b>         | <b>0.0</b>           | <b>1,772.4</b>     | <b>2,558.0</b>     |
| <b>Adjustments which will continue current level of service:</b> |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change from FY2002                     | 13.3                 | 0.0                  | 38.5               | 51.8               |
| -Change Funding Source GF to Workers' Safety                     | -625.4               | 0.0                  | 625.4              | 0.0                |
| <b>FY2003 Governor</b>   | <b>173.5</b>         | <b>0.0</b>           | <b>2,436.3</b>     | <b>2,609.8</b>     |

**Workers' Compensation****Personal Services Information**

| <b>Authorized Positions</b> |                   | <b>Personal Services Costs</b> |                                |                  |
|-----------------------------|-------------------|--------------------------------|--------------------------------|------------------|
|                             | <b>FY2002</b>     | <b>FY2003</b>                  |                                |                  |
|                             | <b>Authorized</b> | <b>Governor</b>                |                                |                  |
| Full-time                   | 35                | 35                             | Annual Salaries                | 1,621,104        |
| Part-time                   | 1                 | 1                              | COLA                           | 36,978           |
| Nonpermanent                | 0                 | 0                              | Premium Pay                    | 0                |
|                             |                   |                                | Annual Benefits                | 571,734          |
|                             |                   |                                | Less 6.00% Vacancy Factor      | (133,716)        |
|                             |                   |                                | Lump Sum Premium Pay           | 0                |
| <b>Totals</b>               | <b>36</b>         | <b>36</b>                      | <b>Total Personal Services</b> | <b>2,096,100</b> |

**Position Classification Summary**

| <b>Job Class Title</b>     | <b>Anchorage</b> | <b>Fairbanks</b> | <b>Juneau</b> | <b>Others</b> | <b>Total</b> |
|----------------------------|------------------|------------------|---------------|---------------|--------------|
| Administrative Clerk II    | 4                | 1                | 3             | 0             | 8            |
| Administrative Clerk III   | 1                | 0                | 1             | 0             | 2            |
| Administrative Manager III | 0                | 0                | 1             | 0             | 1            |
| Administrative Supervisor  | 1                | 0                | 0             | 0             | 1            |
| Chf Adjud Worker Comp      | 1                | 0                | 0             | 0             | 1            |
| Division Director          | 0                | 0                | 1             | 0             | 1            |
| Microfilm Equip Op I       | 0                | 0                | 1             | 0             | 1            |
| Reemployment Benefits Adm  | 1                | 0                | 0             | 0             | 1            |
| Worker Comp Hearing Off    | 5                | 1                | 1             | 0             | 7            |
| Worker Comp Off I          | 1                | 0                | 1             | 0             | 2            |
| Worker Comp Off II         | 4                | 1                | 1             | 0             | 6            |
| Worker Comp Technician     | 3                | 0                | 2             | 0             | 5            |
| <b>Totals</b>              | <b>21</b>        | <b>3</b>         | <b>12</b>     | <b>0</b>      | <b>36</b>    |

## **Component: Second Injury Fund**

**Contact: Paul Grossi, Director**

**Tel:** (907) 465-2790 **Fax:** (907) 465-2797 **E-mail:** Paul\_Grossi@labor.state.ak.us

### **Component Mission**

To reimburse employers for compensation paid to employees involved in a second injury.

### **Component Services Provided**

- This unit provides an incentive for an employer to hire or retain an injured or disabled worker by helping to maintain insurance premiums for handicapped employees that are equivalent to those of able-bodied workers by limiting the liability of an employer in regards to the amount of compensation which is paid when a disabled employee is involved in a second injury.
- This unit determines whether or not a Petition to Join Second Injury is approved based on research and analysis of unique criteria. If a claim is approved, the Second Injury Fund reimburses the employer for time loss benefits paid beyond 104 weeks. This component monitors all claims being reimbursed by the Fund, deposits and credits Fund contributions and assesses penalties for the filing of late compensation reports.

### **Component Goals and Strategies**

#### **MONITOR AND ADMINISTER SECOND INJURY FUNDS**

- Closely monitor the amounts in the SIF, the contributions going in and reimbursements going out to assure the viability of the Second Injury Fund.
- Continue efforts to reduce the amount of penalties currently paid by insurance companies for late compensation report filings through increased communication with insurance companies and increased awareness of the legal reporting requirements.
- Help develop electronic filing enhancements to the new computer system, especially to the payment compensation report payment system. This will allow for a more thorough error monitoring system for the annual report and related second injury fund penalty system.

### **Key Component Issues for FY2002 – 2003**

- Continue to enforce timely filing of compensation reports and reduce the number of late filings received. Late filings create additional work for staff due to affidavits that must be prepared and mailed to the insurer. Late filings also result in claims payment information being inaccurate.
- Due to the Supreme Court decision in Arctic Bowl v Second Injury Fund there has been an increase in the number of approvals for recovery from the Fund. As a result, a supplemental was requested and granted for FY01 as well as an increment for FY02. While an increase is not being requested in FY03, this situation will need to be closely monitored.

### **Major Component Accomplishments in 2001**

- Through administrative efficiencies the time lag between petitions for Second Injury Fund recovery and issuance of decisions continues to be reduced.

### **Statutory and Regulatory Authority**

AS 23.30

## Second Injury Fund

### Component Financial Summary

*All dollars in thousands*

|   | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>             |                |                   |                 |
| <b>Component Expenditures:</b>          |                |                   |                 |
| 71000 Personal Services                 | 159.0          | 157.4             | 161.3           |
| 72000 Travel                            | 0.0            | 2.5               | 2.5             |
| 73000 Contractual                       | 64.1           | 79.9              | 79.9            |
| 74000 Supplies                          | 1.1            | 5.2               | 5.2             |
| 75000 Equipment                         | 0.0            | 8.0               | 8.0             |
| 76000 Land/Buildings                    | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims                    | 2,931.2        | 2,925.6           | 2,925.6         |
| 78000 Miscellaneous                     | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>               | <b>3,155.4</b> | <b>3,178.6</b>    | <b>3,182.5</b>  |
| <b>Funding Sources:</b>                 |                |                   |                 |
| 1007 Inter-Agency Receipts              | 0.0            | 4.8               | 4.9             |
| 1031 Second Injury Fund Reserve Account | 3,155.4        | 3,173.8           | 3,177.6         |
| <b>Funding Totals</b>                   | <b>3,155.4</b> | <b>3,178.6</b>    | <b>3,182.5</b>  |

### Estimated Revenue Collections

| Description                         | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|-------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b><u>Unrestricted Revenues</u></b> |                        |                |                   |                      |                 |                 |
| Second Injury Fund Reserve Account  | 51075                  | 3,155.4        | 3,173.8           | 3,189.9              | 3,177.6         | 3,185.7         |
| <b>Unrestricted Total</b>           |                        | <b>3,155.4</b> | <b>3,173.8</b>    | <b>3,189.9</b>       | <b>3,177.6</b>  | <b>3,185.7</b>  |
| <b><u>Restricted Revenues</u></b>   |                        |                |                   |                      |                 |                 |
| Interagency Receipts                | 51015                  | 0.0            | 4.8               | 4.8                  | 4.9             | 4.9             |
| <b>Restricted Total</b>             |                        | <b>0.0</b>     | <b>4.8</b>        | <b>4.8</b>           | <b>4.9</b>      | <b>4.9</b>      |
| <b>Total Estimated Revenues</b>     |                        | <b>3,155.4</b> | <b>3,178.6</b>    | <b>3,194.7</b>       | <b>3,182.5</b>  | <b>3,190.6</b>  |

## Second Injury Fund

### Proposed Changes in Levels of Service for FY2003

The Second Injury Fund expects to maintain the same effective level of service.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>0.0</b>           | <b>0.0</b>           | <b>3,178.6</b>     | <b>3,178.6</b>     |
| <b>Adjustments which will continue<br/>current level of service:</b> |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change<br>from FY2002                      | 0.0                  | 0.0                  | 3.9                | 3.9                |
| <b>FY2003 Governor</b>   | <b>0.0</b>           | <b>0.0</b>           | <b>3,182.5</b>     | <b>3,182.5</b>     |

## Second Injury Fund

### Personal Services Information

| Authorized Positions |                   | Personal Services Costs |                                  |                |
|----------------------|-------------------|-------------------------|----------------------------------|----------------|
|                      | <u>FY2002</u>     | <u>FY2003</u>           |                                  |                |
|                      | <u>Authorized</u> | <u>Governor</u>         |                                  |                |
| Full-time            | 3                 | 3                       | Annual Salaries                  | 117,597        |
| Part-time            | 0                 | 0                       | COLA                             | 2,441          |
| Nonpermanent         | 0                 | 0                       | Premium Pay                      | 0              |
|                      |                   |                         | Annual Benefits                  | 44,907         |
|                      |                   |                         | <i>Less 2.18% Vacancy Factor</i> | (3,598)        |
|                      |                   |                         | Lump Sum Premium Pay             | 0              |
| <b>Totals</b>        | <b>3</b>          | <b>3</b>                | <b>Total Personal Services</b>   | <b>161,347</b> |

### Position Classification Summary

| Job Class Title         | Anchorage | Fairbanks | Juneau   | Others   | Total    |
|-------------------------|-----------|-----------|----------|----------|----------|
| Administrative Clerk II | 0         | 0         | 1        | 0        | 1        |
| Worker Comp Off II      | 0         | 0         | 1        | 0        | 1        |
| Worker Comp Technician  | 0         | 0         | 1        | 0        | 1        |
| <b>Totals</b>           | <b>0</b>  | <b>0</b>  | <b>3</b> | <b>0</b> | <b>3</b> |



## **Labor Standards and Safety Budget Request Unit**

**Contact: Richard Mastriano, Director**

**Tel:** (907) 269-4904 **Fax:** (907) 269-4992 **E-mail:** Richard\_Mastriano@Labor.state.ak.us

### **BRU Mission**

The mission of the Division of Labor Standards and Safety is to provide for the monitoring of safe and legal working conditions.

### **BRU Services Provided**

This division provides oversight, enforcement, consultation and training services relating to wage and hour laws, employment preference, child labor laws, and occupational safety and health; licensing enforcement of construction contractors, and electrical and mechanical administrators; certification of electricians, power linemen, plumbers, blasters and painters; certification and training for individuals who work with toxic and hazardous substances; and inspections of electrical and mechanical systems for code compliance.

### **BRU Goals and Strategies**

#### **1) EDUCATE EMPLOYERS AND EMPLOYEES ABOUT ALASKA LABOR LAWS AND ENSURE PROPER COMPENSATION TO ALASKAN WORKERS.**

- Ensure that the public is informed of labor laws and services the agency provides through seminars, briefings, on-site outreach, and participation in various employment/human resource conferences.

- Monitor and audit certified payrolls for public construction projects to ensure compliance with prevailing wage laws.

#### **2) DECREASE BACKLOG OF BOILER AND PRESSURE VESSEL INSPECTIONS.**

- Maintain established inspection levels, and continue to improve recruitment and retention strategies for boiler and pressure vessel inspectors in order to keep existing positions filled and the number of inspections maximized.

#### **3) IMPROVE JOB KNOWLEDGE FOR ELECTRICIANS AND PLUMBERS.**

- Provide continuing education classes to keep trades up-to-date on plumbing and electrical code changes..

#### **4) MAINTAIN CURRENT LEVELS OF INSPECTIONS IN THE ELEVATOR, ELECTRICAL, PLUMBING AND RECREATIONAL DEVICE PROGRAMS TO ENSURE PUBLIC SAFETY.**

#### **5) IMPROVE AND PROMOTE SAFETY AND HEALTH IN THE WORKPLACE, AND REDUCE ACCIDENTAL DEATH AND INJURIES.**

- Increase programmed enforcement inspections and comprehensive visits in construction, logging and seafood processing industries.

- Increase employer and worker awareness of, and involvement in, safety and health practices through additional public service announcements, newspapers and other means of public notice.

- Increase the number of training sessions and students in attendance.

### **Key BRU Issues for FY2002 – 2003**

- The Occupational Safety and Health program will be in the fifth year of the division's five-year strategic plan. Meeting the objectives set out in the Federal Fiscal Year 2001 Annual Performance Plan and the five-year Strategic Plan as approved by the Federal Occupational Safety and Health Administration will be a major effort on the part of the program staff.

- With the requested addition of two wage and hour technician positions, the Wage and Hour program will return to FY 98

staffing levels. While this will enable the section to begin making improvements in levels of enforcement activities, staffing is still inadequate to enforce many of the provisions of Title 36, creating a situation of unfair competition among contractors bidding on public construction jobs, with contractors abiding by the prevailing wage requirements being placed at a disadvantage. Inadequate enforcement also results in increased wage claims and penalties for employers.

- Efforts to decrease the boiler and pressure vessel inspection backlog continue. With the requested addition of two new inspectors in the Mechanical Inspection section, and assuming the ability to retain current staff, the section estimates that the backlog could be significantly reduced, if not eliminated, by FY 2006.

### **Major BRU Accomplishments in 2001**

- Wage and Hour section collected over \$700,000 in owed wages for Alaskan workers.

- Wage and Hour staff monitored over 4,900 public construction projects for prevailing wage enforcement, and over 4,000 projects for employment preference compliance.

- Wage and Hour disseminated information on child labor, prevailing wage, and wage claim programs through approximately 18,600 contacts; and processed more than 12,000 child labor work permits.

- While the boiler and pressure vessel inspection backlog has not been reduced, due to the need for more inspectors, boiler inspections were maintained at near-FY 2000 levels. This level of inspections kept the backlog from increasing further.

- Boiler and pressure vessel inspectors were brought into the same approximate salary range as plumbing inspectors, in order to attract and keep inspectors in the existing boiler and pressure vessel positions.

- Mechanical Inspection worked on the adoption of regulations to conform with national standards set out in the 2000 Uniform Plumbing Code. In addition, statutory authority for the update for future codes by regulations has been conveyed to the Department of Labor, which will allow timely adoption of necessary code updates.

- The Occupational Safety & Health (OSH) program enrolled three Alaskan employers in the Voluntary Protection Program (VPP); one was reapproved from Merit to Star level and two were new to the program (one Star and one Merit). In the Safety and Health Achievement Recognition Program (SHARP), OSH reapproved one employer and reviewed and approved another for a total of two SHARP awards.

- OSH staff increased enforcement inspections by nine percent to improve the safety and health of working environments.

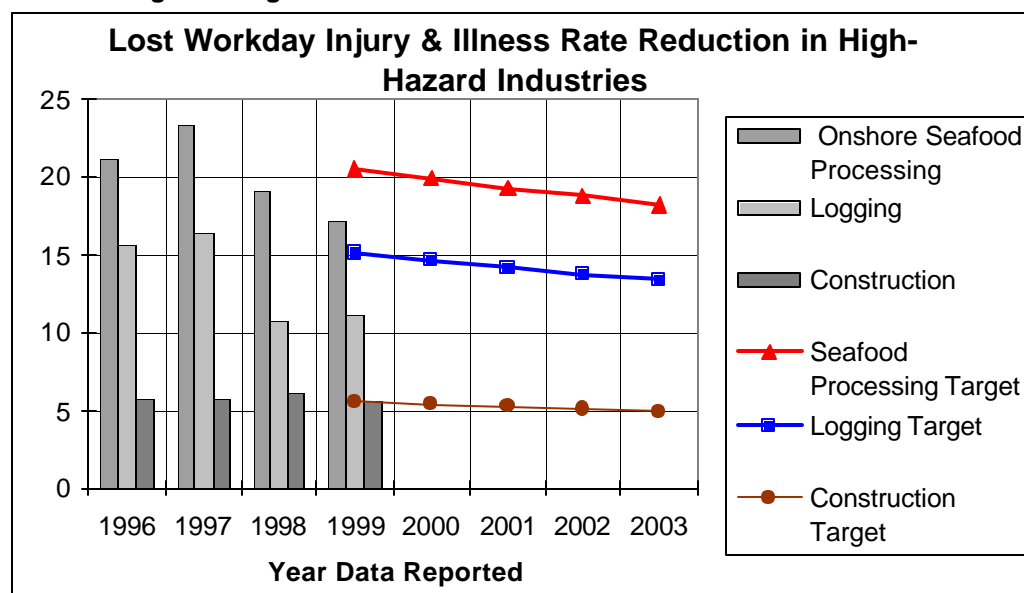
- The Safety Advisory Council increased participation levels at the Annual Governor's Safety and Health Conference by approximately 25% over FY 2000 levels.

## Key Performance Measures for FY2003

### Measure:

The number of lost workdays in high-hazard industries, including seafood processing, logging, and construction.  
Sec 91(b)(1) Ch 90 SLA 2001(HB 250)

### Alaska's Target & Progress:



The target is to reduce injuries and illnesses in each of three high hazard industries by 15% over five years (~3% per year) by focusing on those workplaces with the highest injuries and illnesses. Targeted industries are construction, logging, and seafood processing.

### Bureau of Labor Statistics Lost Workday Injury & Illness Rates for Selected Industries

|                                   | 1996 | 1997 | 1998 | 1999 | %Change<br>1996-1999 |
|-----------------------------------|------|------|------|------|----------------------|
| <b>All Private Sector</b>         | 4.1  | 4.2  | 3.9  | 3.8  | (7.3%)               |
| <b>Construction</b>               | 5.7  | 5.7  | 6.1  | 5.6  | (1.8%)               |
| <b>Logging</b>                    | 15.6 | 16.4 | 10.8 | 11.1 | (28.8%)              |
| <b>Onshore Seafood Processing</b> | 21.2 | 23.3 | 19.1 | 17.1 | (19.8%)              |

Bureau of Labor Statistics (BLS) statistics reflect the previous calendar-year activity, not the previous budget-year activity. Because the data is reported in December of the following year, the lag is nearly two years. Targets were derived using 1996 data (latest available at that time) reduced by 3% to set the 1999 target and applying a 3% reduction to each following year. The above injury and illness rates are per 100 full time workers and all data is based on calendar years.

### Benchmark Comparisons:

We have been unsuccessful in obtaining useful comparison statistics from other states. Other states use different target industries. Even though we use the same industries as the federal government, they obtain their statistics on a different set of specific criteria, which makes a comparison invalid at this time. The targets shown are the federal grant performance measures for the department.

### Background and Strategies:

The Alaska Occupational Safety & Health program is involved in on-going efforts to integrate compliance assistance with enforcement strategies in order to better direct the resources of the program toward high-hazard industries and workplaces, and toward the particular hazards and issues that cause accidents or represent recognized threats to worker safety and health. Success in this area will result in reductions in lost workdays due to job-related illness or accidents.

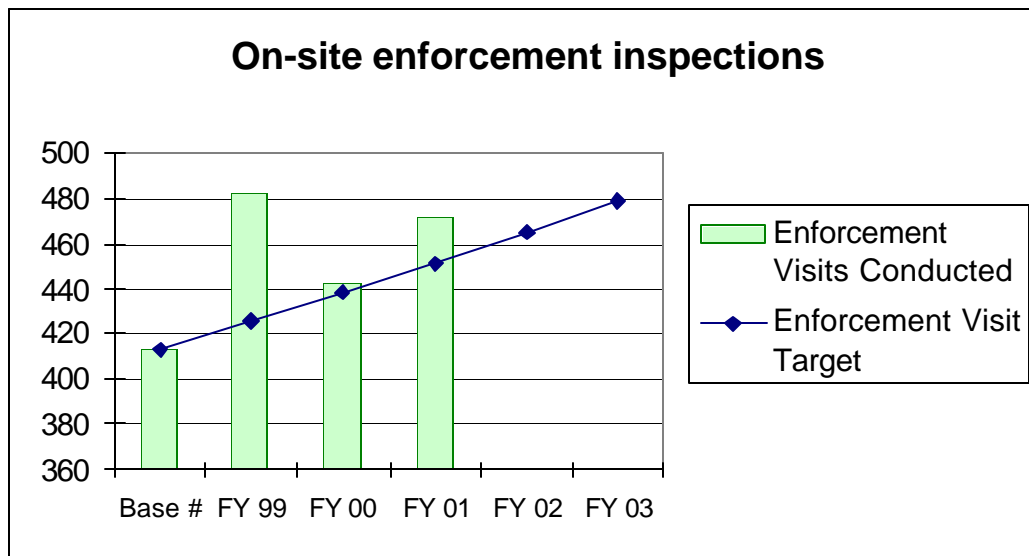
The department wishes to work with the legislature to revise this measure. As stated in statute this measure calls for the number of lost workdays. The department would like this to be revised to measure incidence rates. This change would align the measure with the program's federal grant performance measure. Also the department and federal government utilize rates in all other reporting and measuring functions.

**Measure:**

The number of on-site enforcement inspections.

Sec 91(b)(2) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**



To increase enforcement inspections by 15% over a five year period (~3% per year).

| Fiscal Year | Enforcement Inspections |
|-------------|-------------------------|
| Base Number | 413                     |
| 1999        | 482                     |
| 2000        | 443                     |
| 2001        | 471                     |

5-Year target (2003)       $413 + 15\% = 475$

The base number is an average of fiscal year 1996, 1997, and 1998.

In 2001, there were two major fatality cases that took more than the average amount of time for the investigators. A new discrimination investigator was hired late in the year. These activities reduced the number of enforcement inspections that these three officers normally conduct.

Also in 2001, the consultation staff worked three months with an Acting Assistant Chief during the search for a permanent Assistant Chief of Consultation and Training. Comparing the first quarter activities of past fiscal years with this year's first quarter, it would appear that both sections are on course.

**Benchmark Comparisons:**

We have been unsuccessful in obtaining useful comparison statistics from other states. Other states use different target industries. Even though we use the same industries as the federal government, they obtain their statistics on a different set of specific criteria, making their benchmark inapplicable.

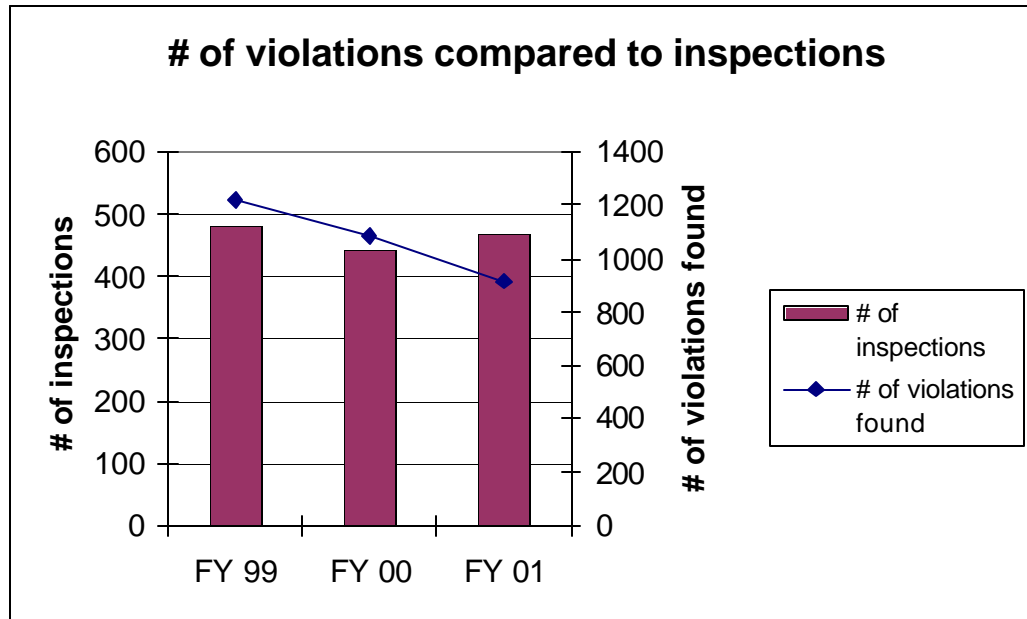
**Background and Strategies:**

AKOSH will continue to provide a strong enforcement presence to act as an effective deterrent for employers who fail to meet their safety and health responsibilities and as a means of leveraging the agency's resources. AKOSH voluntary and incentive programs are dependent upon the Agency maintaining an effective enforcement presence in the workplace, and AKOSH will continue to ensure that serious violators face serious consequences. At the same time, as a means to leverage enforcement and change workplace culture, the Agency will provide penalty reductions for certain employers who have established comprehensive safety and health programs.

**Measure:**

The percentage of violations found compared to total inspections.  
Sec 91(b)(3) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**



Number of violations found compared to the total number of inspections

| Fiscal Year | # of inspections | # of violations found |
|-------------|------------------|-----------------------|
| 1999        | 482              | 1219                  |
| 2000        | 443              | 1082                  |
| 2001        | 471              | 917                   |

**Benchmark Comparisons:**

There is no applicable benchmark for this percentage. Experience with this measure has shown that the percentage of violations to total number of inspections is not a useful measurement and should be revised.

**Background and Strategies:**

Experience has show that this measure needs to be revisited: the percentage of violations per the number of inspections conducted is not a viable measurement, as it is not within the program's control. The department believes that the performance measure should focus on the program's success rate in the correction of identified violations found during inspections. We would like to work with the legislature to revise this measure.

**Measure:**

The percentage of wage claims settled.  
Sec 91(b)(4) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Our goal is to maintain our FY 01 wage claim closure rate of 50%. The 1st quarter of FY 02 closure rate is 24%. This

is on track to meet the goal as the closure rate starts low due to the large number of open cases carried over from the previous fiscal year. As more new cases are filed and processed the closure rate increases during the course of the year.

**Benchmark Comparisons:**

We have been unsuccessful in obtaining useful comparison statistics from other states. This statistic is not one that is regularly recorded by enforcement agencies. Montana, which is a comparable size, doesn't track this statistic. Wyoming, also of comparable size, lacks an effective Wage and Hour program. Oregon's percentage of cases closed for FY 01 is 79%. However, this is not a good comparison because Oregon law allows the agency's administrative decisions to be automatically entered as judgments in court. Since they don't have to try disputed cases in court, they would be expected to have a much higher closure rate, which their percentage reflects.

**Background and Strategies:**

One-half of the component's investigative staff is still in training, with over half of those just newly appointed to fill vacancies. The learning curve for investigators is approximately one year. We anticipate a struggle to maintain a 50% closure rate for wage claims but are striving to meet that goal. Our experienced investigators are handling maximum caseloads, but we will not sacrifice quality service in order to close cases more quickly.

**Measure:**

The number of boiler and pressure vessel inspections completed compared to the backlog.  
Sec 91(b)(5) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Our target for number of inspections is and has been constant based on 1,200 per year per full-time inspector. At current staffing levels of 3.75 full-time equivalent positions, that equals 4,500 inspections total for the program per year. Our rate of inspections has been constant for some time. Presently we are on track for this year's target.

**Benchmark Comparisons:**

There are no known comparable statistics in other states. The federal government does not have a boiler/pressure vessel inspection program.

**Background and Strategies:**

Difficulties in eliminating the backlog of overdue vessels can be attributed to several factors. Most dominant is the current number of authorized inspectors. We cannot do more, regardless of the vast improvements in number of inspections per inspector over the last three years, due to factors beyond our control, including remote locations and inclement weather for much of the year. More new vessels are coming on line than old vessels are being retired, resulting in a net increase of vessels in the inventory. The overdue vessels are not a static group we cannot get to. They are a constantly changing group due to the physical impossibility of doing any more with current resources.

In the FY 2003 budget request, the department has requested funding to support two additional pressure vessel inspectors and one administrative clerk for the program. With an additional 2,400 vessels per year being inspected, we can eliminate the majority of the backlog within three years. Given that many vessels are located in remote areas which are only visited when enough vessels are due to justify the trip, inclement weather and other uncontrollable factors make a zero backlog unrealistic. However, we could so minimize the backlog as to make it a non-issue.

**Labor Standards and Safety**  
**BRU Financial Summary by Component**

*All dollars in thousands*

|                                      | General<br>Funds | FY2001 Actuals<br>Federal<br>Funds | Other<br>Funds | Total<br>Funds | General<br>Funds | FY2002 Authorized<br>Federal<br>Funds | Other<br>Funds | Total<br>Funds | General<br>Funds | FY2003 Governor<br>Federal<br>Funds | Other<br>Funds | Total<br>Funds |
|--------------------------------------|------------------|------------------------------------|----------------|----------------|------------------|---------------------------------------|----------------|----------------|------------------|-------------------------------------|----------------|----------------|
| <b>Formula</b>                       |                  |                                    |                |                |                  |                                       |                |                |                  |                                     |                |                |
| <b>Expenditures</b>                  |                  |                                    |                |                |                  |                                       |                |                |                  |                                     |                |                |
| None.                                |                  |                                    |                |                |                  |                                       |                |                |                  |                                     |                |                |
| <b>Non-Formula</b>                   |                  |                                    |                |                |                  |                                       |                |                |                  |                                     |                |                |
| <b>Expenditures</b>                  |                  |                                    |                |                |                  |                                       |                |                |                  |                                     |                |                |
| Wage and Hour<br>Administration      | 1,301.7          | 0.0                                | 34.4           | 1,336.1        | 1,326.1          | 0.0                                   | 22.1           | 1,348.2        | 1,456.8          | 0.0                                 | 22.6           | 1,479.4        |
| Mechanical<br>Inspection             | 1,160.5          | 0.0                                | 407.2          | 1,567.7        | 1,152.9          | 0.0                                   | 421.7          | 1,574.6        | 1,511.1          | 0.0                                 | 229.6          | 1,740.7        |
| Occupational<br>Safety and<br>Health | 710.2            | 1,790.9                            | 530.3          | 3,031.4        | 424.6            | 1,852.3                               | 856.9          | 3,133.8        | 312.3            | 1,942.3                             | 1,445.3        | 3,699.9        |
| Alaska Safety<br>Advisory<br>Council | 95.0             | 0.0                                | 0.8            | 95.8           | 107.5            | 0.0                                   | 0.0            | 107.5          | 108.4            | 0.0                                 | 0.0            | 108.4          |
| <b>Totals</b>                        | <b>3,267.4</b>   | <b>1,790.9</b>                     | <b>972.7</b>   | <b>6,031.0</b> | <b>3,011.1</b>   | <b>1,852.3</b>                        | <b>1,300.7</b> | <b>6,164.1</b> | <b>3,388.6</b>   | <b>1,942.3</b>                      | <b>1,697.5</b> | <b>7,028.4</b> |

## Labor Standards and Safety

### Proposed Changes in Levels of Service for FY2003

With the requested addition of two new technician positions, the Wage and Hour program anticipates improved enforcement levels of minimum wage, overtime, and child labor and public contract laws state-wide with available resources.

The Mechanical Inspection program anticipates a reduction in the inspection backlog with the requested addition of new positions. Inspections should increase by approximately 2,400 per year, with a corresponding increase in certificates issued and revenues earned.

With the requested addition of a new position, the Occupational Safety and Health (OSH) program anticipates an 10% increase in the number of cases handled in the program.

Under the FY 2003 Oil Safety and Development Initiative, OSH will take on more responsibility for monitoring and inspection of facilities associated with development and remediation of on-shore drilling sites, in order to ensure safe and healthy working conditions for employees associated with these activities.

Increased safety outreach and education through the Alaska Safety Advisory Council annual conference.

## Labor Standards and Safety

### Summary of BRU Budget Changes by Component

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>3,011.1</b>       | <b>1,852.3</b>       | <b>1,300.7</b>     | <b>6,164.1</b>     |
| <b>Adjustments which will continue current level of service:</b> |                      |                      |                    |                    |
| -Wage and Hour Administration                                    | 28.7                 | 0.0                  | 0.5                | 29.2               |
| -Mechanical Inspection   | 26.0                 | 0.0                  | -192.1             | -166.1             |
| -Occupational Safety and Health                                  | -335.0               | 40.0                 | 565.4              | 270.4              |
| -Alaska Safety Advisory Council                                  | 0.9                  | 0.0                  | 0.0                | 0.9                |
| <b>Proposed budget increases:</b>                                |                      |                      |                    |                    |
| -Wage and Hour Administration                                    | 102.0                | 0.0                  | 0.0                | 102.0              |
| -Mechanical Inspection   | 332.2                | 0.0                  | 0.0                | 332.2              |
| -Occupational Safety and Health                                  | 222.7                | 50.0                 | 23.0               | 295.7              |
| <b>FY2003 Governor</b>   | <b>3,388.6</b>       | <b>1,942.3</b>       | <b>1,697.5</b>     | <b>7,028.4</b>     |



## **Component: Wage and Hour Administration**

**Contact: Richard Mastriano, Director**

**Tel:** (907) 269-4904 **Fax:** (907) 269-4992 **E-mail:** Richard\_Mastriano@labor.state.ak.us

### **Component Mission**

To ensure that employees are justly compensated for their work, safeguard workers from unscrupulous employment practices, and ensure that children are not exploited by employment in dangerous occupations.

### **Component Services Provided**

- Collection of wages for employees who haven't been properly paid is performed by a staff of investigators and technicians in three regional offices statewide who investigate underpayment or nonpayment of wages earned or benefits accrued.
- Child labor laws are enforced by the investigative and technical staff who review and approve or deny work permits for all minors employed in the state. Investigators visit employers in each of the three regions to check for understanding of, and compliance with, the child labor laws.
- Enforcement of employment preference and prevailing wage laws is accomplished through audits of certified payrolls for public construction projects.
- Investigative staff educates employers and employees about their rights and obligations under Alaska labor laws through employer visits, seminars, briefings and other forums.
- Component staff assist the Alaska State Troopers in the enforcement of the vehicle registration requirements under AS 28.10.121 to license and register a vehicle in the state within 10 days of commencement of employment in this state. Some component staff hold a special commission from the Troopers whereby they carry a badge and can cite offenders. The enforcement assistance is accomplished by checking for out of state license plates on a vehicle at a job site they are inspecting.

### **Component Goals and Strategies**

#### **EDUCATE EMPLOYERS AND EMPLOYEES ABOUT ALASKA LABOR LAWS.**

- Inform the public of the labor laws Wage and Hour enforces and services the agency provides. Maintain the current level of 20,000 contacts through seminars, briefings, in-person and telephone discussions.
- Consolidate on-site investigations in rural Alaska with outreach to employers by answering questions, providing published materials and encouraging employers and employees to contact the Wage and Hour office with questions. It is anticipated that staff will conduct 1,000 on-site visits to maintain the current level of service.
- Participate as an exhibitor at employment/human resource and personnel law conferences to display and distribute labor law literature and answer questions.
- Expand and enhance the information available to the public regarding Wage and Hour issues on the division's internet web site.

#### **ENSURE THAT ALASKAN WORKERS ARE PROPERLY COMPENSATED IN ACCORDANCE WITH MINIMUM WAGE, OVERTIME AND PREVAILING WAGE LAWS.**

- Monitor more than 4,000 public construction projects for compliance with prevailing wage laws.
- Audit certified payrolls submitted to the Wage and Hour office for public constructions.
- Educate employers through seminars, briefings, in-person and telephone meetings and e-mail contacts.

### **Key Component Issues for FY2002 – 2003**

- Child labor continues to be a focal point for the Wage and Hour Section. Investigative staff travels throughout the state to conduct "on-site" inspections to ensure that minors are being paid properly and are not being required to perform hazardous duties on the job. Child work permits and the associated caseload have increased incrementally over the past decade, with no associated increase in Wage and Hour positions.
- The requested increase in general funds for the Wage and Hour section will allow the program to begin improving enforcement of the minimum wage, overtime, child labor and public contract laws for the citizens of Alaska. However, the section is still unable to enforce many of the provisions of AS 36.05, creating an unfair situation for contractors who abide by the prevailing wage requirements of Title 36, and causing increased wage claims and penalties for employers found to be in violation of the statute. The section continues to focus on education efforts to best utilize limited resources.

### **Major Component Accomplishments in 2001**

Wage and Hour section collected over \$700,000 in owed wages for Alaskan workers.

- Wage and Hour staff monitored over 4,900 public construction projects for prevailing wage enforcement, and over 4,000 projects for employment preference compliance.
- Wage and Hour disseminated information on child labor, prevailing wage, and wage claim programs through approximately 18,600 contacts; and processed more than 12,000 child labor work permits.
- The Wage and Hour section published Wage & Hour forms and information on the Internet for public access.

### **Statutory and Regulatory Authority**

#### Statutory Authorities:

AS 23.10.500-23.10.550  
AS 36.10.005-36.10.990  
AS 23.10.325-23.10.400  
AS 08.18.010-08.18.171  
AS 23.05.010-23.05.340  
AS 36.05.010-36.05.110  
AS 36.95.010  
AS 23.15.330-23.15.520  
AS 23.10.015-23.10.150  
AS 23.30.005-23.30.270  
AS 23.10.430

#### Regulatory Authorities:

8 AAC 25.010-25.030  
8 AAC 30.010-30.920  
8 AAC 20.010-20.030  
8 AAC 15.010-15.910  
8 AAC 05.010-05.900  
8 AAC 10.010-10.915

## Wage and Hour Administration

### Component Financial Summary

*All dollars in thousands*

|  | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>                |                |                   |                 |
| <b>Component Expenditures:</b>             |                |                   |                 |
| 71000 Personal Services                    | 1,051.8        | 1,070.2           | 1,208.7         |
| 72000 Travel                               | 32.4           | 54.5              | 54.5            |
| 73000 Contractual                          | 217.8          | 196.5             | 183.4           |
| 74000 Supplies                             | 27.1           | 23.1              | 32.8            |
| 75000 Equipment                            | 7.0            | 3.9               | 0.0             |
| 76000 Land/Buildings                       | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims                       | 0.0            | 0.0               | 0.0             |
| 78000 Miscellaneous                        | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>                  | <b>1,336.1</b> | <b>1,348.2</b>    | <b>1,479.4</b>  |
| <b>Funding Sources:</b>                    |                |                   |                 |
| 1004 General Fund Receipts                 | 1,301.7        | 1,326.1           | 1,456.8         |
| 1007 Inter-Agency Receipts                 | 19.8           | 22.1              | 22.6            |
| 1108 Statutory Designated Program Receipts | 14.6           | 0.0               | 0.0             |
| <b>Funding Totals</b>                      | <b>1,336.1</b> | <b>1,348.2</b>    | <b>1,479.4</b>  |

### Estimated Revenue Collections

| Description                           | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b><u>Unrestricted Revenues</u></b>   |                        |                |                   |                      |                 |                 |
| None.                                 |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>             |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b><u>Restricted Revenues</u></b>     |                        |                |                   |                      |                 |                 |
| Interagency Receipts                  | 51015                  | 19.8           | 22.1              | 22.1                 | 22.6            | 22.6            |
| Statutory Designated Program Receipts | 51063                  | 14.6           | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Restricted Total</b>               |                        | <b>34.4</b>    | <b>22.1</b>       | <b>22.1</b>          | <b>22.6</b>     | <b>22.6</b>     |
| <b>Total Estimated Revenues</b>       |                        | <b>34.4</b>    | <b>22.1</b>       | <b>22.1</b>          | <b>22.6</b>     | <b>22.6</b>     |

## Wage and Hour Administration

### Proposed Changes in Levels of Service for FY2003

The requested increase of \$102.0 in operating monies would fund two Wage and Hour technicians, enabling the section to once again perform routine and specific monitoring of certified payrolls, and to take a more proactive role in compliance enforcement. Discrepancies found during the monitoring process would lead to specific audits of certified payrolls allowing the employers ample time to correct violations and comply with public construction laws.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | 1,326.1              | 0.0                  | 22.1               | 1,348.2            |
| <b>Adjustments which will continue current level of service:</b> |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change from FY2002                     | 28.7                 | 0.0                  | 0.5                | 29.2               |
| <b>Proposed budget increases:</b>                                |                      |                      |                    |                    |
| -Add Two Wage and Hour Technician Positions and Funding          | 102.0                | 0.0                  | 0.0                | 102.0              |
| <b>FY2003 Governor</b>   | 1,456.8              | 0.0                  | 22.6               | 1,479.4            |

## Wage and Hour Administration

## Personal Services Information

| Authorized Positions |                   | Personal Services Costs |  |
|----------------------|-------------------|-------------------------|--|
|                      | <u>FY2002</u>     | <u>FY2003</u>           |  |
|                      | <u>Authorized</u> | <u>Governor</u>         |  |
| Full-time            | 21                | 23                      | Annual Salaries 906,546                  |
| Part-time            | 0                 | 0                       | COLA 22,133                              |
| Nonpermanent         | 0                 | 0                       | Premium Pay 0                            |
|                      |                   |                         | Annual Benefits 339,257                  |
|                      |                   |                         | Less 4.67% Vacancy Factor (59,236)       |
|                      |                   |                         | Lump Sum Premium Pay 0                   |
| <b>Totals</b>        | <b>21</b>         | <b>23</b>               | <b>Total Personal Services 1,208,700</b> |

## Position Classification Summary

| Job Class Title           | Anchorage | Fairbanks | Juneau   | Others   | Total     |
|---------------------------|-----------|-----------|----------|----------|-----------|
| Administrative Clerk II   | 2         | 0         | 0        | 0        | 2         |
| Administrative Clerk III  | 1         | 1         | 1        | 0        | 3         |
| Administrative Manager I  | 1         | 0         | 0        | 0        | 1         |
| Administrative Supervisor | 1         | 0         | 0        | 0        | 1         |
| Chief, Labor Standards    | 1         | 0         | 0        | 0        | 1         |
| Wage Hour Invest I        | 5         | 2         | 2        | 0        | 9         |
| Wage Hour Invest II       | 1         | 1         | 1        | 0        | 3         |
| Wage-Hour Technician      | 2         | 1         | 0        | 0        | 3         |
| <b>Totals</b>             | <b>14</b> | <b>5</b>  | <b>4</b> | <b>0</b> | <b>23</b> |

## **Component: Mechanical Inspection**

### **Contact: Richard Mastriano, Director**

**Tel:** (907) 269-4904 **Fax:** (907) 269-4992 **E-mail:** Richard.Mastriano@labor.state.ak.us

## **Component Mission**

To protect the public safety by providing oversight and inspection for hazards related to boilers, pressure vessels, elevators, escalators, wheelchair lifts, recreational devices, electrical and plumbing installations statewide; and by testing and licensing people associated with some of these activities.

## **Component Services Provided**

- Issue certificates of fitness for validating the qualifications of electricians, power linemen, plumbers and boiler operators.
- Inspect boilers and pressure vessels for safety.
- Inspect new construction, and alterations to existing construction, for compliance with applicable state plumbing and electrical codes.
- Inspect new and existing elevators, escalators, tramways, ski lifts and amusement rides for safety, proper maintenance and operation.
- In conjunction with the Department of Community and Economic Development, ensure that electricians, plumbers, construction contractors and electrical/mechanical administrators have proper certificates and/or licenses.
- Assist the Department of Revenue, Child Support Enforcement Division, in identifying license applicants who are in arrears on child support payments to comply with federal law.
- Assist the Alaska State Troopers in the enforcement of the vehicle registration requirements under AS 28.10.121 to license and register a vehicle in the state within 10 days of commencement of employment in this state. Some component staff hold a special commission from the Troopers whereby they carry a badge and can cite offenders. The enforcement assistance is accomplished by checking for out of state license plates on a vehicle at a job site they are inspecting.

## **Component Goals and Strategies**

- 1) DECREASE BACKLOG OF BOILER AND PRESSURE VESSEL INSPECTIONS BY 15%.
  - Maintain established inspection levels; 1,200 inspections per inspector in the Boiler/Pressure Vessel program.
  - Improve recruitment and retention strategies for boiler and pressure vessel inspectors in order to keep existing positions filled and number of inspections maximized.
- 2) INCREASE VISIBILITY OF STATE ELECTRICAL AND PLUMBING INSPECTION PROGRAMS STATEWIDE.
  - Provide classes on plumbing and electrical code updates in areas not covered by commercial providers.
- 3) MAINTAIN ESTABLISHED INSPECTION LEVELS IN THE ELEVATOR, ELECTRICAL, PLUMBING AND RECREATIONAL DEVICE PROGRAMS.
  - 400 inspections per inspector in the plumbing and electrical programs.
  - 275 inspections in the elevator program.
  - 125 inspections in the recreational device program.
- 4) CONTINUE ONE-DAY PROCESSING IN ALL LICENSING CATEGORIES ISSUED BY THE SECTION.

### **Key Component Issues for FY2002 – 2003**

- Efforts to decrease the backlog of boiler and pressure vessel inspections continue. With implementation of the 1999 statutory change that allows existing state plumbing inspectors to inspect cast-iron boilers and domestic hot-water heaters, we have maintained our level of inspections despite vacancy issues. This implementation has held the FY 2000 backlog levels constant. Additional staff is still required to effectively address the problem of the inspection backlog. With the approval of additional funding and the ability to establish and fill two inspector positions and another clerical position, the inspection backlog should begin to decrease. With additional staff, it is estimated that elimination of the backlog could be achieved in FY 2006.
- Adopt by regulation new Boiler/Pressure Vessel Code, Elevator Code, and Electrical Code. Code changes will require increased effort on the part of MI staff to receive and perform training and educational outreach for affected trades.

### **Major Component Accomplishments in 2001**

- Boiler/Pressure Vessel Inspectors were brought into the same approximate salary range as plumbing inspectors in order to attract and keep inspectors in the existing boiler and pressure vessel positions. This helps ease but does not resolve the difficulty of recruitment and retention of boiler and pressure vessel inspectors due to non-competitive wage rates.
- This section worked on the adoption of regulations to conform with national standards set out in the 2000 Uniform Plumbing Code. In addition, statutory authority for the update of future codes by regulation has been conveyed to the Department of Labor, which will allow timely adoption of necessary code updates.

### **Statutory and Regulatory Authority**

#### Statutory Authorities:

AS 18.60.180-18.60.395  
AS 18.60.670-18.60.695  
AS 05.20.010-05.20.120  
AS 18.60.800-18.60.820  
AS 18.60.705-18.60.740  
AS 18.60.580-18.60.660  
AS 18.62.010-18.62.080

#### Regulatory Authorities:

8 AAC 90.105-90.900  
8 AAC 80.010-80.900  
8 AAC 70.010-70.090  
8 AAC 78.010-78.900  
8 AAC 77.005-77.905  
8 AAC 63.010-63.030

## Mechanical Inspection

### Component Financial Summary

All dollars in thousands

|                                    | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|------------------------------------|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>        |                |                   |                 |
| <b>Component Expenditures:</b>     |                |                   |                 |
| 71000 Personal Services            | 1,216.8        | 1,194.8           | 1,283.4         |
| 72000 Travel                       | 142.6          | 115.4             | 165.4           |
| 73000 Contractual                  | 194.4          | 241.0             | 256.5           |
| 74000 Supplies                     | 13.3           | 22.7              | 35.4            |
| 75000 Equipment                    | 0.6            | 0.7               | 0.0             |
| 76000 Land/Buildings               | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims               | 0.0            | 0.0               | 0.0             |
| 78000 Miscellaneous                | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>          | <b>1,567.7</b> | <b>1,574.6</b>    | <b>1,740.7</b>  |
| <b>Funding Sources:</b>            |                |                   |                 |
| 1004 General Fund Receipts         | 477.3          | 472.3             | 815.6           |
| 1005 General Fund/Program Receipts | 683.2          | 680.6             | 695.5           |
| 1007 Inter-Agency Receipts         | 396.0          | 421.7             | 229.6           |
| 1053 Investment Loss Trust Fund    | 11.2           | 0.0               | 0.0             |
| <b>Funding Totals</b>              | <b>1,567.7</b> | <b>1,574.6</b>    | <b>1,740.7</b>  |

### Estimated Revenue Collections

| Description                         | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|-------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b><u>Unrestricted Revenues</u></b> |                        |                |                   |                      |                 |                 |
| None.                               |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>           |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b><u>Restricted Revenues</u></b>   |                        |                |                   |                      |                 |                 |
| Interagency Receipts                | 51015                  | 396.0          | 421.7             | 209.0                | 229.6           | 229.6           |
| General Fund Program Receipts       | 51060                  | 683.2          | 680.6             | 680.6                | 695.5           | 695.5           |
| Investment Loss Trust Fund          | 51393                  | 11.2           | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Restricted Total</b>             |                        | <b>1,090.4</b> | <b>1,102.3</b>    | <b>889.6</b>         | <b>925.1</b>    | <b>925.1</b>    |
| <b>Total Estimated Revenues</b>     |                        | <b>1,090.4</b> | <b>1,102.3</b>    | <b>889.6</b>         | <b>925.1</b>    | <b>925.1</b>    |



## Mechanical Inspection

### Proposed Changes in Levels of Service for FY2003

With the addition of two boiler/pressure vessel inspectors, one electrical inspector, and one clerk, the program anticipates a significant reduction in the statewide inspection backlog, as well as increased timeliness in issuing inspection reports and invoices and processing payments. Additional staffing will make the program more responsive and improve our overall level of service.

Absent additional staff, the component does not anticipate any change in the level of service currently provided.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|   | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>  | <b>1,152.9</b>       | <b>0.0</b>           | <b>421.7</b>       | <b>1,574.6</b>     |
| <b>Adjustments which will continue current level of service:</b>                              |                      |                      |                    |                    |
| -Transfer 2 PFT and I/A funding from Mechanical Inspection to Occ Safety & Health ADN 0721032 | 0.0                  | 0.0                  | -197.8             | -197.8             |
| -Year 3 Labor Costs - Net Change from FY2002  | 26.0                 | 0.0                  | 5.7                | 31.7               |
| <b>Proposed budget increases:</b>   |                      |                      |                    |                    |
| -Add Two Mechanical Inspector Positions with Clerical Support and Funding                     | 240.2                | 0.0                  | 0.0                | 240.2              |
| -Add an Electrical Inspector Position and Funding   | 92.0                 | 0.0                  | 0.0                | 92.0               |
| <b>FY2003 Governor</b>  | <b>1,511.1</b>       | <b>0.0</b>           | <b>229.6</b>       | <b>1,740.7</b>     |

**Mechanical Inspection****Personal Services Information**

| <b>Authorized Positions</b> |                          | <b>Personal Services Costs</b> |  |
|-----------------------------|--------------------------|--------------------------------|--|
|                             | <b><u>FY2002</u></b>     | <b><u>FY2003</u></b>           |  |
|                             | <b><u>Authorized</u></b> | <b><u>Governor</u></b>         |  |
| Full-time                   | 16                       | 18                             | Annual Salaries 960,194                  |
| Part-time                   | 0                        | 0                              | COLA 29,030                              |
| Nonpermanent                | 0                        | 0                              | Premium Pay 19,293                       |
|                             |                          |                                | Annual Benefits 327,492                  |
|                             |                          |                                | Less 3.94% Vacancy Factor (52,609)       |
|                             |                          |                                | Lump Sum Premium Pay 0                   |
| <b>Totals</b>               | <b>16</b>                | <b>18</b>                      | <b>Total Personal Services 1,283,400</b> |

**Position Classification Summary**

| <b>Job Class Title</b>         | <b>Anchorage</b> | <b>Fairbanks</b> | <b>Juneau</b> | <b>Others</b> | <b>Total</b> |
|--------------------------------|------------------|------------------|---------------|---------------|--------------|
| Accounting Tech I              | 1                | 0                | 0             | 0             | 1            |
| Administrative Clerk II        | 1                | 0                | 0             | 0             | 1            |
| Administrative Clerk III       | 1                | 0                | 0             | 0             | 1            |
| Administrative Supervisor      | 1                | 0                | 0             | 0             | 1            |
| Asst Chief, Labor Standards    | 1                | 0                | 0             | 0             | 1            |
| Boiler & Pressure Vssl Insp I  | 4                | 0                | 0             | 0             | 4            |
| Boiler & Pressure Vssl Insp II | 1                | 0                | 0             | 0             | 1            |
| Investigator III               | 1                | 0                | 0             | 0             | 1            |
| SIC Electrical Inspector       | 1                | 1                | 0             | 1             | 3            |
| SIC Elevator Inspector         | 0                | 1                | 0             | 0             | 1            |
| SIC Plumbing Inspector         | 1                | 1                | 0             | 1             | 3            |
| <b>Totals</b>                  | <b>13</b>        | <b>3</b>         | <b>0</b>      | <b>2</b>      | <b>18</b>    |

## **Component: Occupational Safety and Health**

**Contact: Richard Mastriano, Director**

**Tel:** (907) 269-4904 **Fax:** (907) 269-4992 **E-mail:** Richard\_Mastriano@labor.state.ak.us

### **Component Mission**

To work in partnership with Alaskan employers and workers toward eliminating workplace injuries, illnesses and deaths and to assist employers in complying with state and federal regulations relating to occupational safety and health.

### **Component Services Provided**

- Provide for the prompt elimination or restraint of imminent danger situations and investigate employee complaints, work-related fatalities and catastrophes.
- Complete compliance inspections in accordance with federal mandates, without advance notice, to assess workplace safety and health, and issue citations if necessary; notify employers and employees when an alleged violation has occurred, including the proposed abatement requirements and correction schedule, and appeals process; affirm abatement of hazards, to ensure safety and health in the workplace; and provide for unbiased review of contested violations, penalties or abatement dates by an independent board appointed by the Governor.
- Prepare, adopt, amend, or repeal general and specific safety and health standards governing the conditions of employment in all workplaces to be "as stringent" as those adopted or recognized by the United States Secretary of Labor under the authority of the Occupational Safety and Health Act of 1970.
- Protect employees against discharge or discrimination for exercising the rights afforded by the Alaska Occupational Safety and Health (AKOSH) standards through training; inform employees on such issues as how to bring possible violations to the attention of inspectors, the notification process of employees concerning the results of complaint related investigations and their related appeal rights; and provide employees access to information and notification concerning exposure to toxic materials or harmful physical agents in their workplace.
- Encourage voluntary compliance by employers and employees in reducing the number of safety and health hazards at their work places through consultative on-site visits.
- Process employer requests for variances from AKOSH standards.
- Compile and disseminate statistical information on program activity for department and state administrators and the federal Occupational Safety and Health Administration (OSHA).
- Issue certificates of fitness for validating the qualifications of painters, asbestos abatement workers, and explosive handlers.
- Assist the Department of Revenue, Child Support Enforcement Division, in identifying license applicants who are in arrears on child support payments to comply with federal law.

### **Component Goals and Strategies**

IN FY 2003, OCCUPATIONAL SAFETY AND HEALTH WILL BE IN THE FIFTH YEAR OF A FIVE-YEAR STRATEGIC PLAN:

1) REDUCE INJURY AND ILLNESS IN THE THREE TARGETED HIGH-HAZARD INDUSTRIES (LOGGING, CONSTRUCTION AND SEAFOOD PROCESSING).

- Increase programmed enforcement inspections in construction, logging and seafood processing by 5%.
- Increase comprehensive visits in construction, logging and seafood processing by 3%.
- Decrease the Lost Workday Injury & Illness rate by 3% in construction, logging and seafood processing.

2) REDUCE INJURIES AND ILLNESSES IN AT LEAST ONE HIGH-INCIDENT INDUSTRY DETERMINED FROM WORKERS' COMPENSATION DATA (AND NOT INCLUDED IN HIGH-HAZARD INDUSTRIES)

- Increase comprehensive consultation visits using a Special Intervention Program by 3%.
- Increase programmed inspections in the above targeted industry by 3%.
- Verify abatement of all hazards identified during enforcement inspections.
- Verify abatement of all hazards identified through consultation visits.

3) CHANGE WORKPLACE CULTURE TO INCREASE EMPLOYER AND WORKER AWARENESS OF, COMMITMENT TO, AND INVOLVEMENT IN SAFETY AND HEALTH.

- Increase public service announcements and notices.
- Increase student attendance in outreach training sessions by an additional 10%.
- Increase Safety and Health Achievement Recognition Program participation by an additional two employers during the next year.
- Increase Voluntary Protection Program participation by one additional employer during the next year.

4) SECURE PUBLIC CONFIDENCE THROUGH EXCELLENCE IN THE DEVELOPMENT AND DELIVERY OF AKOSH'S PROGRAMS AND SERVICES.

- Continue the development and implementation of the management and information systems necessary to carry out the AKOSH mission and the capacity to measure and analyze AKOSH's performance.
- Continue to ensure AKOSH staff are adequately trained and knowledgeable, and provide services in a fair and consistent manner.

### **Key Component Issues for FY2002 – 2003**

- Congress developed the Government Performance and Results Act of 1993, requiring Federal OSHA to have a 5-year strategic plan and subsequent annual performance plans from each State Plan state. This is a new method for monitoring and evaluating AKOSH performance and we are working toward meeting the agreed-upon objectives in the State's federal fiscal year 2002 Annual Performance Plan and in complying with the 5-year Strategic Plan.

### **Major Component Accomplishments in 2001**

- OSH enrolled three Alaskan employers in the Voluntary Protection Program (VPP); one was reapproved from Merit to Star level and two were new to the program (one Star and one Merit). In the Safety and Health Achievement Recognition Program (SHARP) OSH reapproved one employer and reviewed and approved another for a total of two SHARP awards.
- Enforcement staff performed 471 compliance inspections during FY 2001.
- Consultation staff continued to provide training, resulting in 80 classes offered and 1,587 employees trained in safety and health issues in FY 2001.
- Consultation staff completed 314 visits in FY 2001, maintaining close to the same level as FY 2000, even with field staff vacancies and an acting Assistant Chief for several months.

### **Statutory and Regulatory Authority**

Statutory Authorities:  
AS 18.60.010-18.60.105

AS 18.63.010-18.63.100  
AS 18.31.200-18.31.500  
29 CFR 1910 & 1926&1928 (Federal Regulation adopted by reference)  
AS 8.052.050

Regulatory Authorities:

8AAC 61.010-8AAC 62.070  
40 CFR 763 Appendix C to Subpart E (Federal Regulation adopted by reference)  
8 AAC 61.730(a)  
8 AAC 61.860(a)  
8 AAC 61.640(a)  
8 AAC 62.055(a)(2)  
8 AAC 61.630(a)(7)  
8 AAC 61.670(b)(3)

## Occupational Safety and Health

### Component Financial Summary

*All dollars in thousands*

|  | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>                                    |                |                   |                 |
| <b>Component Expenditures:</b>                                 |                |                   |                 |
| 71000 Personal Services  | 2,284.2        | 2,402.7           | 2,863.1         |
| 72000 Travel   | 218.5          | 163.3             | 205.7           |
| 73000 Contractual  | 449.3          | 499.9             | 552.7           |
| 74000 Supplies   | 59.0           | 58.8              | 78.4            |
| 75000 Equipment  | 20.4           | 9.1               | 0.0             |
| 76000 Land/Buildings   | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims   | 0.0            | 0.0               | 0.0             |
| 78000 Miscellaneous  | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>                                      | <b>3,031.4</b> | <b>3,133.8</b>    | <b>3,699.9</b>  |
| <b>Funding Sources:</b>  |                |                   |                 |
| 1002 Federal Receipts  | 1,790.9        | 1,852.3           | 1,942.3         |
| 1003 General Fund Match  | 623.5          | 336.5             | 0.0             |
| 1004 General Fund Receipts                                     | 0.0            | 0.0               | 222.7           |
| 1005 General Fund/Program Receipts                             | 86.7           | 88.1              | 89.6            |
| 1007 Inter-Agency Receipts                                     | 6.8            | 13.6              | 217.2           |
| 1053 Investment Loss Trust Fund                                | 23.5           | 0.0               | 0.0             |
| 1157 Workers Safety and Compensation<br>Administration Account | 500.0          | 843.3             | 1,228.1         |
| <b>Funding Totals</b>  | <b>3,031.4</b> | <b>3,133.8</b>    | <b>3,699.9</b>  |

### Estimated Revenue Collections

| Description                            | Master<br>Revenue<br>Account | FY2001<br>Actuals | FY2002<br>Authorized | FY2002<br>Cash<br>Estimate | FY2003<br>Governor | FY2004<br>Forecast |
|--|------------------------------|-------------------|----------------------|----------------------------|--------------------|--------------------|
| <b><u>Unrestricted Revenues</u></b>    |                              |                   |                      |                            |                    |                    |
| Unrestricted Fund                      | 68515                        | 0.0               | 280.5                | 280.5                      | 223.0              | 223.0              |
| <b>Unrestricted Total</b>              |                              | <b>0.0</b>        | <b>280.5</b>         | <b>280.5</b>               | <b>223.0</b>       | <b>223.0</b>       |
| <b><u>Restricted Revenues</u></b>      |                              |                   |                      |                            |                    |                    |
| Federal Receipts                       | 51010                        | 1,790.9           | 1,852.3              | 1,852.3                    | 1,942.3            | 1,942.3            |
| Interagency Receipts                   | 51015                        | 6.8               | 13.6                 | 218.9                      | 217.2              | 217.2              |
| General Fund Program<br>Receipts       | 51060                        | 86.7              | 88.1                 | 88.1                       | 89.6               | 89.6               |
| Workers Safety &<br>Compensation Admin | 51078                        | 500.0             | 843.3                | 843.3                      | 1,228.1            | 1,228.1            |
| Investment Loss Trust<br>Fund          | 51393                        | 23.5              | 0.0                  | 0.0                        | 0.0                | 0.0                |
| <b>Restricted Total</b>                |                              | <b>2,407.9</b>    | <b>2,797.3</b>       | <b>3,002.6</b>             | <b>3,477.2</b>     | <b>3,477.2</b>     |
| <b>Total Estimated<br/>Revenues</b>    |                              | <b>2,407.9</b>    | <b>3,077.8</b>       | <b>3,283.1</b>             | <b>3,700.2</b>     | <b>3,700.2</b>     |

## Occupational Safety and Health

### Proposed Changes in Levels of Service for FY2003

As part of the overall five-year strategic plan, the division will continue to expand the new consultative special intervention program for high-incident-rate employers. In addition, the section will continue to expand marketing efforts for the outreach-training program through public service announcements, providing new information, attending public meetings, increased publication of class schedules, and conducting classes statewide.

With the addition of another consultant, the program anticipates a 10% increase in the number of cases handled in the first year, and a 20% increase in the second year, as the new consultant completes the required training.

With implementation of the FY 2003 Oil Safety and Development Initiative, the AKOSH program will take additional responsibility for monitoring and inspection of facilities, such as buildings or other structures which may be used during oil and gas development and production, to ensure that such facilities conform to existing plumbing and electrical codes. In addition, AKOSH will ensure that a safe and healthy work environment is maintained for employees associated with the drilling or remediation activities identified through the initiative.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|   | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>  | <b>424.6</b>         | <b>1,852.3</b>       | <b>856.9</b>       | <b>3,133.8</b>     |
| <b>Adjustments which will continue current level of service:</b>                              |                      |                      |                    |                    |
| -Transfer 2 PFT and I/A funding from Mechanical Inspection to Occ Safety & Health ADN 0721032 | 0.0                  | 0.0                  | 197.8              | 197.8              |
| -Year 3 Labor Costs - Net Change from FY2002  | 8.5                  | 40.0                 | 24.1               | 72.6               |
| -Fund Source Change from GFM to Workers Safety  | -343.5               | 0.0                  | 343.5              | 0.0                |
| <b>Proposed budget increases:</b>   |                      |                      |                    |                    |
| -Oil Safety and Development Initiative Positions and Funding                                  | 222.7                | 0.0                  | 0.0                | 222.7              |
| -Increased Funding for an Industrial Hygienist Position                                       | 0.0                  | 50.0                 | 23.0               | 73.0               |
| <b>FY2003 Governor</b>  | <b>312.3</b>         | <b>1,942.3</b>       | <b>1,445.3</b>     | <b>3,699.9</b>     |

**Occupational Safety and Health****Personal Services Information**

| <b>Authorized Positions</b> |                   | <b>Personal Services Costs</b> |                                  |                  |
|-----------------------------|-------------------|--------------------------------|----------------------------------|------------------|
|                             | <b>FY2002</b>     | <b>FY2003</b>                  |                                  |                  |
|                             | <b>Authorized</b> | <b>Governor</b>                |                                  |                  |
| Full-time                   | 37                | 41                             | Annual Salaries                  | 2,113,995        |
| Part-time                   | 0                 | 0                              | COLA                             | 64,184           |
| Nonpermanent                | 0                 | 0                              | Premium Pay                      | 77,826           |
|                             |                   |                                | Annual Benefits                  | 719,443          |
|                             |                   |                                | <i>Less 3.78% Vacancy Factor</i> | (112,348)        |
|                             |                   |                                | Lump Sum Premium Pay             | 0                |
| <b>Totals</b>               | <b>37</b>         | <b>41</b>                      | <b>Total Personal Services</b>   | <b>2,863,100</b> |

**Position Classification Summary**

| <b>Job Class Title</b>     | <b>Anchorage</b> | <b>Fairbanks</b> | <b>Juneau</b> | <b>Others</b> | <b>Total</b> |
|----------------------------|------------------|------------------|---------------|---------------|--------------|
| Administrative Assistant   | 0                | 0                | 1             | 0             | 1            |
| Administrative Clerk II    | 2                | 0                | 0             | 0             | 2            |
| Administrative Clerk III   | 2                | 0                | 0             | 0             | 2            |
| Administrative Manager I   | 1                | 0                | 0             | 0             | 1            |
| Administrative Manager III | 0                | 0                | 1             | 0             | 1            |
| Administrative Supervisor  | 1                | 0                | 0             | 0             | 1            |
| Asst Chief DOSH            | 2                | 0                | 0             | 0             | 2            |
| Chief, OS&H                | 1                | 0                | 0             | 0             | 1            |
| Division Director          | 1                | 0                | 0             | 0             | 1            |
| Dol Safety Liaison         | 1                | 0                | 0             | 0             | 1            |
| Industrial Hygienist       | 8                | 1                | 1             | 0             | 10           |
| Micro/Network Tech II      | 1                | 0                | 0             | 0             | 1            |
| Research Analyst III       | 1                | 0                | 0             | 0             | 1            |
| Secretary                  | 0                | 0                | 1             | 0             | 1            |
| SIC Electrical Inspector   | 2                | 0                | 0             | 0             | 2            |
| SIC Occ Safety and Compl   | 7                | 2                | 2             | 2             | 13           |
| <b>Totals</b>              | <b>30</b>        | <b>3</b>         | <b>6</b>      | <b>2</b>      | <b>41</b>    |



## **Component: Alaska Safety Advisory Council**

**Contact: Richard Mastriano, Director**

**Tel:** (907) 269-4904 **Fax:** (907) 269-4992 **E-mail:** Richard\_Mastriano@labor.state.ak.us

### **Component Mission**

Work with organizations, individuals and groups that are interested in the promotion of safety to reduce accidental death and injury.

### **Component Services Provided**

- Provide assistance to the Departments of Labor, Transportation and Public Facilities, Public Safety, Education, Natural Resources, Health & Social Services and various other state and federal organizations by making recommendations regarding safety, health and occupational injury issues.
- Recommend statutory or regulatory changes needed to ensure occupational safety and health.
- Sponsor the annual Governor's Safety and Health Conference, which presents three days of occupational safety and health seminars to provide current information and training to business owners, managers, supervisors and employees. As part of the conference: a) provide certification and continuing education units through the University of Alaska, the American Society of Safety Engineers, and other organizations; and b) provide for vendor demonstrations and presentations on safety related products available to employers and employees.

### **Component Goals and Strategies**

Increase public awareness of safety and health issues, thereby reducing accidental death and injury rates.

- Continue to provide educational opportunities for employers and employees.
- Improve the educational benefits of the Governor's Safety and Health Conference.
- Continue increasing marketing efforts to publicize the Governor's Safety and Health Conference.

### **Key Component Issues for FY2002 – 2003**

- Continue efforts to achieve conference quality equal to other states within the Northwest Region, increasing the level of effectiveness of the program.
- Continue council's involvement with and efforts to promote employer participation in the Occupational Safety and Health component Voluntary Protection Program and Safety and Health Achievement Recognition Program through marketing and outreach.

### **Major Component Accomplishments in 2001**

- Council efforts increased the number of conference attendees from 356 last year to 438 this year.
- Marketing targeted toward labor trade management and union memberships resulted in a marked increase in participation in the OSHA Construction Outreach and Advanced Construction Safety Management Tracks.

### **Statutory and Regulatory Authority**

Statutory Authority:  
AS 18.60.830-18.60.840

## Alaska Safety Advisory Council

### Component Financial Summary

*All dollars in thousands*

|                                    | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|------------------------------------|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>        |                |                   |                 |
| <b>Component Expenditures:</b>     |                |                   |                 |
| 71000 Personal Services            | 37.7           | 35.2              | 36.1            |
| 72000 Travel                       | 2.5            | 8.7               | 8.7             |
| 73000 Contractual                  | 44.9           | 49.3              | 49.3            |
| 74000 Supplies                     | 10.7           | 14.3              | 14.3            |
| 75000 Equipment                    | 0.0            | 0.0               | 0.0             |
| 76000 Land/Buildings               | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims               | 0.0            | 0.0               | 0.0             |
| 78000 Miscellaneous                | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>          | <b>95.8</b>    | <b>107.5</b>      | <b>108.4</b>    |
| <b>Funding Sources:</b>            |                |                   |                 |
| 1005 General Fund/Program Receipts | 95.0           | 107.5             | 108.4           |
| 1053 Investment Loss Trust Fund    | 0.8            | 0.0               | 0.0             |
| <b>Funding Totals</b>              | <b>95.8</b>    | <b>107.5</b>      | <b>108.4</b>    |

### Estimated Revenue Collections

| Description                         | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|-------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b><u>Unrestricted Revenues</u></b> |                        |                |                   |                      |                 |                 |
| None.                               |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>           |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b><u>Restricted Revenues</u></b>   |                        |                |                   |                      |                 |                 |
| General Fund Program Receipts       | 51060                  | 95.0           | 107.5             | 107.5                | 108.4           | 108.4           |
| Investment Loss Trust Fund          | 51393                  | 0.8            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Restricted Total</b>             |                        | <b>95.8</b>    | <b>107.5</b>      | <b>107.5</b>         | <b>108.4</b>    | <b>108.4</b>    |
| <b>Total Estimated Revenues</b>     |                        | <b>95.8</b>    | <b>107.5</b>      | <b>107.5</b>         | <b>108.4</b>    | <b>108.4</b>    |

## Alaska Safety Advisory Council

### Proposed Changes in Levels of Service for FY2003

- There are no anticipated changes in service aside from meeting our goals for increased marketing efforts.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>107.5</b>         | <b>0.0</b>           | <b>0.0</b>         | <b>107.5</b>       |
| <b>Adjustments which will continue<br/>current level of service:</b> |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change<br>from FY2002                      | 0.9                  | 0.0                  | 0.0                | 0.9                |
| <b>FY2003 Governor</b>   | <b>108.4</b>         | <b>0.0</b>           | <b>0.0</b>         | <b>108.4</b>       |

## Alaska Safety Advisory Council

## Personal Services Information

| Authorized Positions |                   | Personal Services Costs |                                |               |
|----------------------|-------------------|-------------------------|--------------------------------|---------------|
|                      | <u>FY2002</u>     | <u>FY2003</u>           |                                |               |
|                      | <u>Authorized</u> | <u>Governor</u>         |                                |               |
| Full-time            | 0                 | 0                       | Annual Salaries                | 23,316        |
| Part-time            | 1                 | 1                       | COLA                           | 439           |
| Nonpermanent         | 0                 | 0                       | Premium Pay                    | 1,365         |
|                      |                   |                         | Annual Benefits                | 10,988        |
|                      |                   |                         | Less 0.00% Vacancy Factor      | (0)           |
|                      |                   |                         | Lump Sum Premium Pay           | 0             |
| <b>Totals</b>        | <b>1</b>          | <b>1</b>                | <b>Total Personal Services</b> | <b>36,108</b> |

## Position Classification Summary

| Job Class Title          | Anchorage | Fairbanks | Juneau   | Others   | Total    |
|--------------------------|-----------|-----------|----------|----------|----------|
| Administrative Clerk III | 1         | 0         | 0        | 0        | 1        |
| <b>Totals</b>            | <b>1</b>  | <b>0</b>  | <b>0</b> | <b>0</b> | <b>1</b> |

## **Vocational Rehabilitation Budget Request Unit**

**Contact: Duane French, Director**

**Tel:** (907) 465-2814 **Fax:** (907) 465-2856 **E-mail:** Duane\_French@labor.state.ak.us

### **BRU Mission**

The mission of the Division of Vocational Rehabilitation is to assist individuals with disabilities to overcome barriers to employment and to maintain suitable employment.

### **BRU Services Provided**

The Division of Vocational Rehabilitation is a combined federal/state program under the authority of the Rehabilitation Act of 1973, as amended in 1998. The services provided to accomplish individualized goals of each person with a disability include a full array of vocational rehabilitation services, independent living services, support and assistance in employment, assistive technology, and referrals. In partnership with other state agencies, private sector businesses, vendors, and non-profit organizations, individuals are assisted and encouraged in realizing their potential and personal independence as full participants and citizens in their community. Employers are provided trained and willing workers able to do the job. The division also provides training to employers on hiring practice changes and training and assistance regarding the Americans with Disabilities Act.

The division adjudicates claims on behalf of the Social Security Administration for Title II and Title XVI applicants for disability benefits and provides referrals for services. In addition, the division is the agency responsible for executive branch compliance with the Americans with Disabilities Act and Administrative Order #129.

### **BRU Goals and Strategies**

#### **1) PROVIDE VOCATIONAL REHABILITATION SERVICES THAT WILL ENABLE 537 INDIVIDUALS WITH DISABILITIES TO GET JOBS.**

\* The division will deliver direct vocational rehabilitation services to individuals with disabilities through a statewide structure of regional and branch offices.

\* Access to information and services provided by the Division will be available on the Internet.

\* Offices will also be co-located with other agencies providing employment services including the Employment Security Division, Job Training Partnership contractors, the Division of Public Assistance, and other non-profit organizations in "one-stop" job centers in Ketchikan, Juneau, Anchorage, Wasilla, Eagle River, Bethel, Kenai and Fairbanks.

\* Services for Native Alaskans will be coordinated with Native organizations including Bristol Bay Native Association, Tanana Chiefs Conference, Tlingit-Haida Central Council, Cook Inlet Native Association, Kodiak Island Native Association, Aleutian/Pribilof Islands Association, and the Association of Village Council Presidents (Bethel).

#### **2) EXPAND THE EXPERTISE AND SKILLS OF REHABILITATION PERSONNEL.**

\* Training programs will be designed and provided which will enable personnel to function in their jobs with improved knowledge of disability issues and which will correct identified deficiencies.

#### **3) ENABLE ALASKANS WITH DISABILITIES TO LIVE INDEPENDENTLY IN THE COMMUNITY OF THEIR CHOICE.**

\* The division will deliver independent living services statewide through grant agreements with private non-profit independent living centers.

\* Specialized independent living services will be provided to older individuals who are blind through regional grants in Southeast, Gulf Coast, Anchorage/Mat-Su/Southwest, and the Northwest regions.

#### **4) ENABLE ELIGIBLE ALASKANS WITH DISABILITIES TO RECEIVE SOCIAL SECURITY DISABILITY BENEFITS.**

\* The division will adjudicate claims for Social Security benefits by obtaining medical and vocational evidence for claimants which will provide adequate information to determine eligibility for benefits.

5) PROVIDE SERVICES THROUGH SPECIAL PROJECTS, WHICH WILL ENHANCE AND SUPPORT THE GENERAL MISSION OF THE DIVISION AND MEET THE NEEDS OF INDIVIDUALS WITH DISABILITIES.

\* Using Supported Employment funding, the division will place and train severely disabled individuals in competitive employment positions.

\* Sign language interpreter services will be provided through three regional grants to non-profit organizations that will respond to requests for interpreter referrals for individuals who are deaf or hard of hearing.

\* Through the Alaska Works Project, Resource Specialists will be located in One-Stop offices in Juneau, Fairbanks and Anchorage to assist individuals with disabilities who want to return to work but who need to maintain health insurance. A Business Development Specialist will work with employers to assist them in developing strategies to increase the presence of individuals with disabilities in their workforce. The Alaska Works Project will be supplemented with a new federal grant award: Alaska Work Incentives. With the award the division will enhance the employability, employment and career advancement of people with disabilities through enhanced service delivery in the One-Stop delivery system established under the Workforce Investment Act of 1998.

6) ENABLE ACCESS TO ASSISTIVE TECHNOLOGY SERVICES AND DEVICES FOR INDIVIDUALS WITH DISABILITIES WHO RESIDE THROUGHOUT THE STATE.

\* The division will provide grant funding for an Assistive Technology Alliance.

7) ASSURE COMPLIANCE OF ALL AGENCIES IN THE EXECUTIVE BRANCH OF STATE GOVERNMENT WITH TITLE I AND II OF THE AMERICANS WITH DISABILITIES ACT.

\* Training programs will be provided for program managers. Updated information will be provided on the status of state facilities audited for ADA compliance.

### **Key BRU Issues for FY2002 – 2003**

- \* Provide greater capacity in the One-Stop delivery system to effectively serve people with disabilities;
- \* Continue to support counselors in meeting the federal requirements of a Masters Degree;
- \* Increase efficiency and effectiveness under the Unified State Plan prompted by the Workforce Investment Act; and
- \* Continue the advancement of Informed Choice in all facets of Vocational Rehabilitation services.

### **Major BRU Accomplishments in 2001**

- \* Provided services to 537 Alaskans with disabilities that enabled them to go to work and earn an average of \$20,425 per year;
- \* Increased the involvement of the 4,219 individuals with disabilities served in FY 2001 in taking a lead role in their rehabilitation services;
- \* Expanded the presence of Alaska Division of Vocational Rehabilitation staff in Alaska Job Centers throughout the state;
- \* Incorporated more accessible technology to determine the aptitudes and interests of people with disabilities in their career planning and employing community based job assessments; and
- \* Continued collaborating with other employment program partners at the Alaska Job Centers.

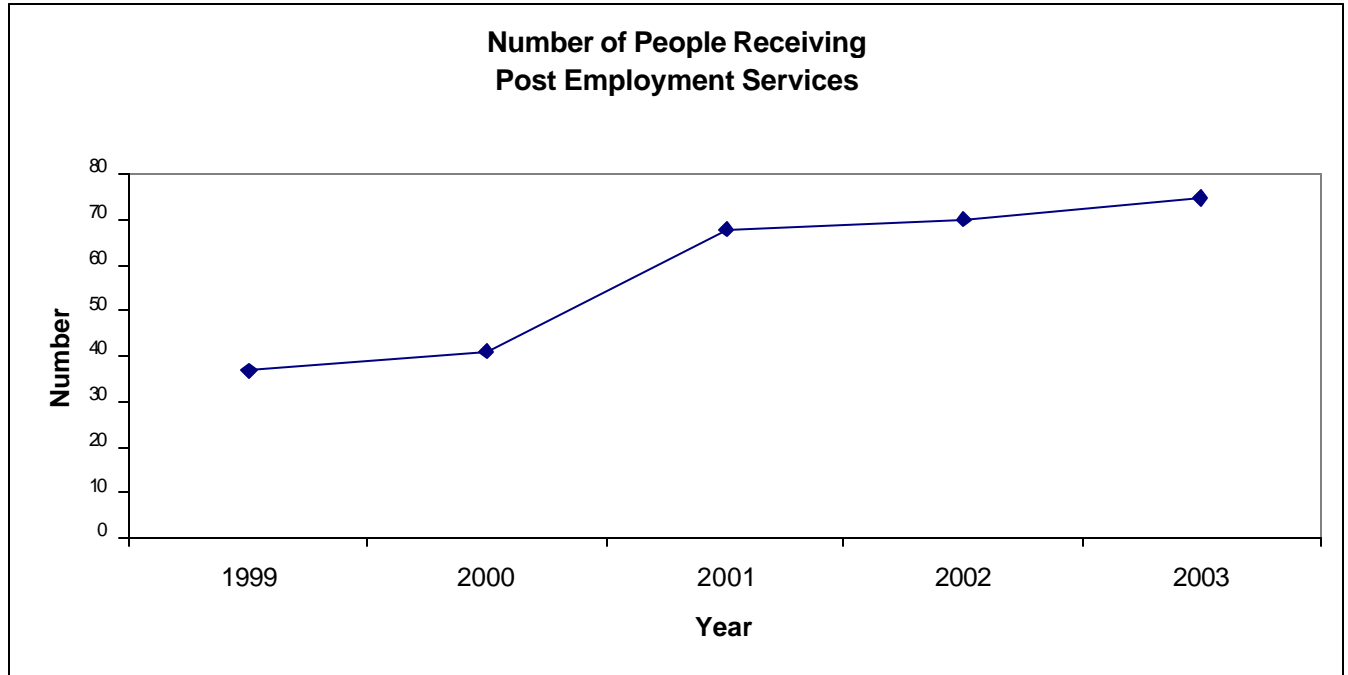
## Key Performance Measures for FY2003

### Measure:

The number of people served in post-employment services.

Sec 92(b)(1) Ch 90 SLA 2001(HB 250)

### Alaska's Target & Progress:



Provide clients post-employment services necessary to maintain, regain, or advance in employment. For state year FY01, 68 clients received post-employment services. In FY02, a target of 70 people will be provided post-employment services and 75 in FY03. In FY03 resources will be managed to provide post-employment services to all clients requiring services to maintain employment.

### Benchmark Comparisons:

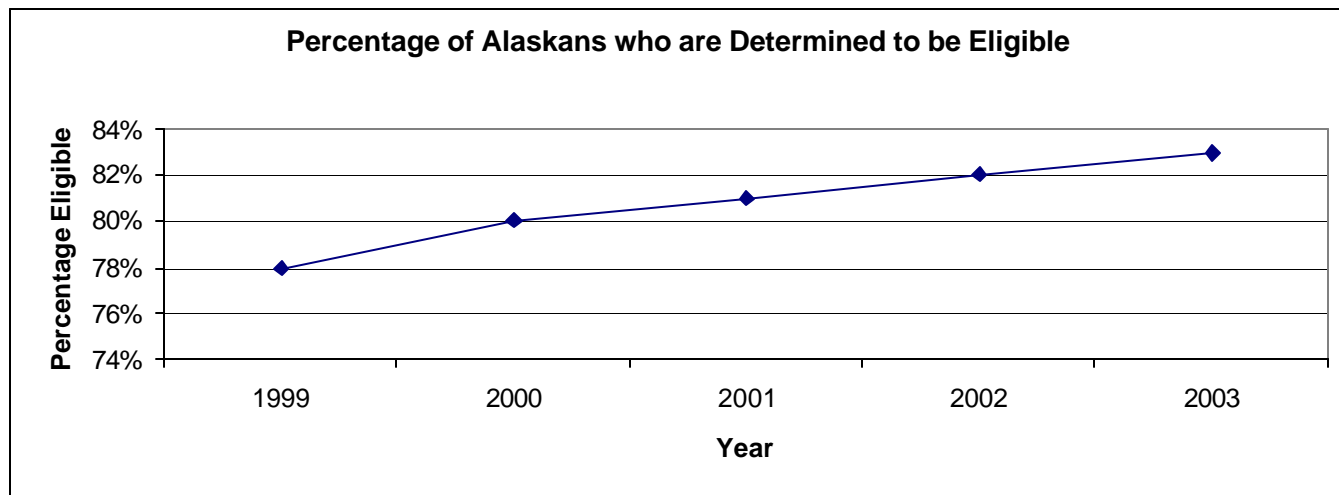
Post-employment services provided by other state vocational rehabilitation programs vary from state to state. Comparison between programs is not meaningful due to the nature of the services, diverse labor markets, and incomparable client populations.

### Background and Strategies:

Post-employment services are limited in scope and duration with the intention of ensuring that the employment outcome remains consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, and interests. Vocational Rehabilitation counselors determine when post-employment services are required. All clients requiring post-employment services will receive services. Vocational Rehabilitation will continue to offer training to counselors to recognize post-employment challenges and identify allowable services.

**Measure:**

The percentage of Alaskans who apply for services compared to the number determined eligible and served.  
Sec 92(b)(2) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Continue to serve all eligible clients. In FY01, 79.0% of Alaskans who applied for services received services as part of their Individual Employment Plan. No client eligible for services was denied services. In FY02 the program will work to increase the percentage of Alaskans who apply and become eligible to 82% and 83% in FY03.

**Benchmark Comparisons:**

The provisions of applicant eligibility under the US Department of Education Federal (USDOE) Regulations require the following determinations: the applicant has a physical or mental impairment, the impairment constitutes or results in a substantial impediment to employment, the applicant can benefit in terms of an employment outcome from the provision of vocational rehabilitation services, and the services received will prepare the applicant to enter into, engage in, or retain gainful employment consistent with the applicant's strengths, resources, priorities, concerns, abilities, capabilities, and informed choice.

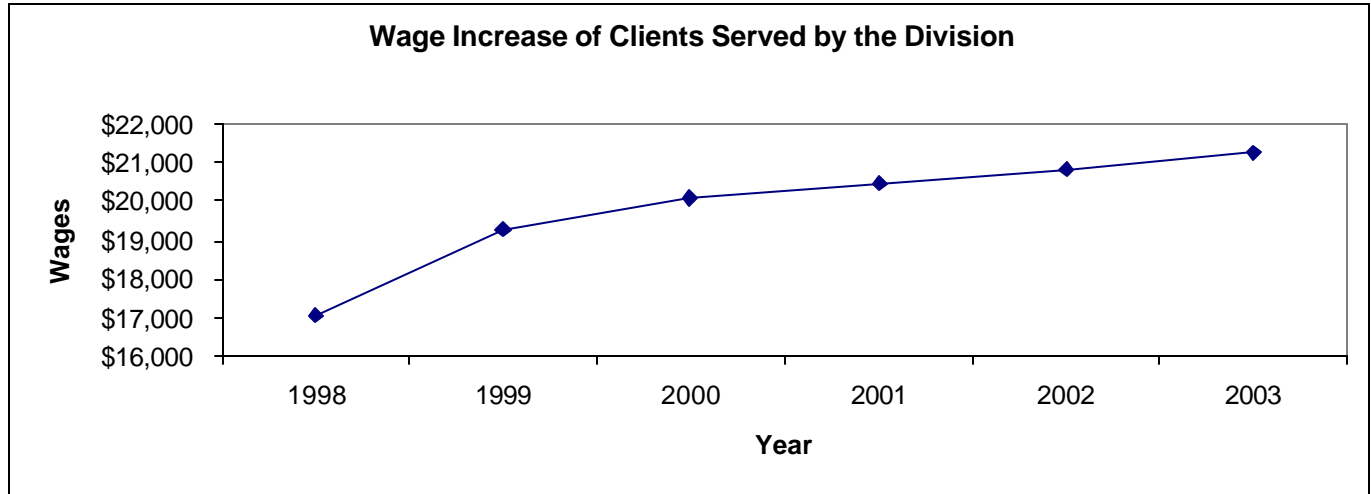
**Background and Strategies:**

Individuals interested in the program attend an orientation on the services provided by the program. When orientation strategies and materials are presented effectively, the number of applicants determined eligible increases. The orientation process screens individuals to determine if they need Vocational Rehabilitation services or services from other Workforce Investment programs. Vocational Rehabilitation Counselors review applications and conduct assessments for determining eligibility of services.



**Measure:**

The increase in wages of clients who are served by the division.  
 Sec 92(b)(3) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Increase the annual wages of clients served. The average annual wage earned by Alaskans with disabilities that received services increased from \$20,084 in FY00 to \$20,425 in FY01. For FY02 and FY03 the program will work to increase the average annual wage by 2% each year. This would be to \$20,834 in FY02 and \$21,250 in FY03.

**Benchmark Comparisons:**

In FY98 the program established a base amount of \$17,062 for the average annual earnings of individuals with disabilities placed in the workforce.

**Background and Strategies:**

The program will consider that an individual has achieved an employment outcome when the following have been met:

- a) The provision of services under the individual's Individual Plan for Employment (IPE) contribute to the achievement of the employment.
- b) The employment is in the most integrated setting possible and is consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.
- c) The individual has maintained the employment for a period of at least 90 days.

Counselors will emphasize placing clients in well paying jobs with employee benefits.

**Measure:**

The number of individuals who enter and retain employment for at least six months after receiving services from the division.

Sec 92(b)(4) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The program currently monitors performance for federal requirements based on the percentage of individuals who enter and retain employment 90 days after receiving services from the division. In FY01 64% of the client were employed 90 days after receiving services. The division will work with other Workforce Investment Act partners in developing a process to report data on the number of individuals employed after six months of receiving services.

**Benchmark Comparisons:**

Data will be evaluated during FY02 and a benchmark will be established for July 1, 2002.

**Background and Strategies:**

Services will be delivered through partners in the Alaska Job Centers, Native organizations and other non-profit organizations.

**Vocational Rehabilitation**  
**BRU Financial Summary by Component**

*All dollars in thousands*

|                     | General<br>Funds | FY2001 Actuals<br>Federal<br>Funds | Other<br>Funds | Total<br>Funds  | General<br>Funds | FY2002 Authorized<br>Federal<br>Funds | Other<br>Funds | Total<br>Funds  | General<br>Funds | FY2003 Governor<br>Federal<br>Funds | Other<br>Funds | Total<br>Funds  |
|---------------------|------------------|------------------------------------|----------------|-----------------|------------------|---------------------------------------|----------------|-----------------|------------------|-------------------------------------|----------------|-----------------|
| <b>Formula</b>      |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| <b>Expenditures</b> |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| None.               |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| <b>Non-Formula</b>  |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| <b>Expenditures</b> |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| Client Services     | 3,148.4          | 7,598.3                            | 229.3          | 10,976.0        | 3,173.4          | 8,662.9                               | 382.3          | 12,218.6        | 3,203.9          | 8,727.4                             | 365.0          | 12,296.3        |
| Federal             | 5.5              | 31.0                               | 0.0            | 36.5            | 5.6              | 50.7                                  | 0.0            | 56.3            | 5.6              | 50.7                                | 0.0            | 56.3            |
| Training Grant      |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| Voc Rehab           | 165.5            | 940.6                              | 61.0           | 1,167.1         | 168.6            | 1,258.5                               | 20.2           | 1,447.3         | 171.0            | 1,279.8                             | 20.8           | 1,471.6         |
| Administration      |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| Independent         | 582.0            | 682.5                              | 162.5          | 1,427.0         | 676.9            | 770.8                                 | 142.5          | 1,590.2         | 676.9            | 770.8                               | 145.1          | 1,592.8         |
| Living              |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| Rehabilitat         |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| Disability          | 0.0              | 3,719.3                            | 151.5          | 3,870.8         | 0.0              | 4,888.9                               | 199.6          | 5,088.5         | 0.0              | 4,926.4                             | 201.2          | 5,127.6         |
| Determination       |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| Special Projects    | 82.9             | 879.6                              | 273.9          | 1,236.4         | 85.8             | 2,615.8                               | 154.1          | 2,855.7         | 85.8             | 1,526.6                             | 154.1          | 1,766.5         |
| Assistive           | 0.0              | 373.7                              | 0.0            | 373.7           | 0.0              | 469.3                                 | 96.0           | 565.3           | 0.0              | 471.7                               | 96.0           | 567.7           |
| Technology          |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| Americans With      | 0.0              | 0.0                                | 162.4          | 162.4           | 0.0              | 0.0                                   | 192.0          | 192.0           | 0.0              | 0.0                                 | 194.7          | 194.7           |
| Disabilities        |                  |                                    |                |                 |                  |                                       |                |                 |                  |                                     |                |                 |
| <b>Totals</b>       | <b>3,984.3</b>   | <b>14,225.0</b>                    | <b>1,040.6</b> | <b>19,249.9</b> | <b>4,110.3</b>   | <b>18,716.9</b>                       | <b>1,186.7</b> | <b>24,013.9</b> | <b>4,143.2</b>   | <b>17,753.4</b>                     | <b>1,176.9</b> | <b>23,073.5</b> |

## Vocational Rehabilitation

### Proposed Changes in Levels of Service for FY2003

No service changes are anticipated.

## Vocational Rehabilitation

### Summary of BRU Budget Changes by Component

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>4,110.3</b>       | <b>18,716.9</b>      | <b>1,186.7</b>     | <b>24,013.9</b>    |
| <b>Adjustments which will continue current level of service:</b> |                      |                      |                    |                    |
| -Client Services   | 30.5                 | 82.0                 | 0.3                | 112.8              |
| -Voc Rehab Administration  | 2.4                  | 21.3                 | 0.6                | 24.3               |
| -Independent Living Rehabilitat                                  | 0.0                  | 0.0                  | 2.6                | 2.6                |
| -Disability Determination  | 0.0                  | 37.5                 | 1.6                | 39.1               |
| -Special Projects  | 0.0                  | 8.7                  | 0.0                | 8.7                |
| -Assistive Technology  | 0.0                  | 2.4                  | 0.0                | 2.4                |
| -Americans With Disabilities                                     | 0.0                  | 0.0                  | 2.7                | 2.7                |
| <b>Proposed budget decreases:</b>                                |                      |                      |                    |                    |
| -Client Services   | 0.0                  | -17.5                | -17.6              | -35.1              |
| -Special Projects  | 0.0                  | -1,097.9             | 0.0                | -1,097.9           |
| <b>FY2003 Governor</b>   | <b>4,143.2</b>       | <b>17,753.4</b>      | <b>1,176.9</b>     | <b>23,073.5</b>    |

## **Component: Client Services**

**Contact: Duane French, Director**

**Tel:** (907) 465-2814 **Fax:** (907) 465-2856 **E-mail:** Duane\_French@labor.state.ak.us

## **Component Mission**

To provide statewide comprehensive coordinated, effective, efficient, and accountable vocational rehabilitation programs which are an integral part of a statewide workforce investment system that prepares individuals with disabilities for gainful employment.

## **Component Services Provided**

This component provides direct services to individuals with disabilities. Services funded from this component are planned and delivered for the purpose of assisting individuals with disabilities who are in need of vocational rehabilitation to prepare for and acquire employment in the competitive labor market.

**GUIDANCE AND COUNSELING:** These funds enable the division's vocational rehabilitation counselors, assistants and support staff to provide direct services to individuals with disabilities.

**CASE SERVICES:** These funds are used to purchase services for individuals with disabilities who are eligible for vocational rehabilitation. Federal law requires the division to provide a variety of services to meet the individual vocational needs of the person with a disability. Through a counseling and guidance relationship between the individual and the vocational rehabilitation counselor, vocational goals and the services needed to overcome barriers to employment are identified. The services are purchased from individual vendors and from public, private and non-profit organizations. Funds are also granted to non-profit organizations to establish or enhance their capacity to provide an array of rehabilitation services that assist individuals with disabilities reach their employment goals.

## **Component Goals and Strategies**

**ENABLE ALASKANS WITH DISABILITIES TO BE GAINFULLY EMPLOYED.**

- \* Provide individualized vocational rehabilitation services that will enable 537 individuals with disabilities to be successfully employed at an average annual earnings of \$21,000;
- \* Develop Individual Plans for Employment that meet the goals and objectives of each individual in terms of an employment outcome;
- \* Provide ongoing direct services to individuals who are already receiving vocational rehabilitation services under a rehabilitation program;
- \* Explore opportunities for individuals who are blind to work as vending facility managers.

## **Key Component Issues for FY2002 – 2003**

Changes in the program under the federal Workforce Investment Act of 1998 emphasize the need for vocational rehabilitation programs to actively coordinate and collaborate with other partners under the act. The division continues its co-location with partners in Alaska Job Center Network Job Centers, developing agreements and improving service delivery methods, so that individuals with disabilities can be served by all partner programs.

Federal law requires that all individuals eligible for the vocational rehabilitation program receive services. Individuals may not be turned away due to a lack of resources unless the agency implements an Order of Selection. If an Order of Selection is implemented, then only individuals with the most severe disabilities are served while individuals with less severe, but just as real, vocational limitations are turned away. In FY2003 the division will seek to maintain necessary services to those individuals at a level similar to FY2002. Without additional resources it will be difficult to expand services to individuals in need of vocational rehabilitation who have not been previously served. However, the division is actively working on methods to deliver services, which will enable all people with disabilities to be served. The program is developing processes which it believes will be more efficient in serving individuals in a more timely manner, including

group processes and a more efficient case management system.

### Major Component Accomplishments in 2001

The following lists the actual number of individuals served during FY2001, the projected number of individuals to be served in FY2002 and the goals for FY2003.

Number of persons who applied for vocational rehabilitation services.

|                     |       |
|---------------------|-------|
| •FY2001 (actual)    | 1,596 |
| •FY2002 (projected) | 1,575 |
| •FY2003 (goal)      | 1,600 |

Number of individuals for whom Individual Plans for Employment are completed.

|                     |       |
|---------------------|-------|
| •FY2001 (actual)    | 1,521 |
| •FY2002 (projected) | 1,550 |
| •FY2003 (goal)      | 1,600 |

Number of individuals successfully employed.

|                     |     |
|---------------------|-----|
| •FY2001 (actual)    | 537 |
| •FY2002 (projected) | 550 |
| •FY2003 (goal)      | 575 |

Number of individuals with disabilities provided services.

|                     |       |
|---------------------|-------|
| •FY2001 (actual)    | 4,219 |
| •FY2002 (projected) | 4,250 |
| •FY2003 (goal)      | 4,275 |

### Statutory and Regulatory Authority

AS 23.15, Article 1  
8 AAC 98  
34 CFR Part 361  
PL 105-220 Title IV

## Client Services

### Component Financial Summary

All dollars in thousands

|   | FY2001 Actuals  | FY2002 Authorized | FY2003 Governor |
|---|-----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>                                   |                 |                   |                 |
| <b>Component Expenditures:</b>                                |                 |                   |                 |
| 71000 Personal Services                                       | 4,595.6         | 4,622.6           | 4,729.6         |
| 72000 Travel  | 185.2           | 241.5             | 241.5           |
| 73000 Contractual   | 1,043.1         | 1,251.3           | 1,202.0         |
| 74000 Supplies  | 132.0           | 62.9              | 166.3           |
| 75000 Equipment   | 43.4            | 128.4             | 45.0            |
| 76000 Land/Buildings  | 0.0             | 0.0               | 0.0             |
| 77000 Grants, Claims  | 4,976.7         | 5,911.9           | 5,911.9         |
| 78000 Miscellaneous   | 0.0             | 0.0               | 0.0             |
| <b>Expenditure Totals</b>                                     | <b>10,976.0</b> | <b>12,218.6</b>   | <b>12,296.3</b> |
| <b>Funding Sources:</b>                                       |                 |                   |                 |
| 1002 Federal Receipts   | 7,598.3         | 8,662.9           | 8,727.4         |
| 1003 General Fund Match                                       | 1,926.8         | 1,945.7           | 1,963.9         |
| 1004 General Fund Receipts                                    | 1,221.6         | 1,222.8           | 1,235.1         |
| 1005 General Fund/Program Receipts                            | 0.0             | 4.9               | 4.9             |
| 1007 Inter-Agency Receipts                                    | 36.4            | 17.3              | 0.0             |
| 1053 Investment Loss Trust Fund                               | 18.6            | 0.0               | 0.0             |
| 1117 Vocational Rehabilitation Small Business Enterprise Fund | 174.3           | 365.0             | 365.0           |
| <b>Funding Totals</b>   | <b>10,976.0</b> | <b>12,218.6</b>   | <b>12,296.3</b> |

### Estimated Revenue Collections

| Description                              | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b><u>Unrestricted Revenues</u></b>      |                        |                |                   |                      |                 |                 |
| None.                                    |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>                |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b><u>Restricted Revenues</u></b>        |                        |                |                   |                      |                 |                 |
| Federal Receipts                         | 51010                  | 7,238.1        | 8,662.9           | 8,662.9              | 8,727.4         | 8,727.4         |
| Interagency Receipts                     | 51015                  | 36.5           | 17.3              | 0.0                  | 0.0             | 0.0             |
| General Fund Program Receipts            | 51060                  | 0.0            | 4.9               | 4.9                  | 4.9             | 4.9             |
| Voc Rehab Small Business Enterprise Fund | 51122                  | 143.8          | 365.0             | 365.0                | 365.0           | 365.0           |
| Investment Loss Trust Fund               | 51393                  | 18.6           | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Restricted Total</b>                  |                        | <b>7,437.0</b> | <b>9,050.1</b>    | <b>9,032.8</b>       | <b>9,097.3</b>  | <b>9,097.3</b>  |
| <b>Total Estimated Revenues</b>          |                        | <b>7,437.0</b> | <b>9,050.1</b>    | <b>9,032.8</b>       | <b>9,097.3</b>  | <b>9,097.3</b>  |

**Client Services****Proposed Changes in Levels of Service for FY2003**

There are no changes in services proposed for FY2003 in this component.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>3,173.4</b>       | <b>8,662.9</b>       | <b>382.3</b>       | <b>12,218.6</b>    |
| <b>Adjustments which will continue current level of service:</b> |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change from FY2002                     | 30.5                 | 82.0                 | 0.3                | 112.8              |
| <b>Proposed budget decreases:</b>                                |                      |                      |                    |                    |
| -Delete Homer Pilot Project Non Perm Position and Funding        | 0.0                  | -17.5                | -17.6              | -35.1              |
| <b>FY2003 Governor</b>   | <b>3,203.9</b>       | <b>8,727.4</b>       | <b>365.0</b>       | <b>12,296.3</b>    |



## Client Services

## Personal Services Information

| Authorized Positions |                   | Personal Services Costs |                                  |                  |
|----------------------|-------------------|-------------------------|----------------------------------|------------------|
|                      | <u>FY2002</u>     | <u>FY2003</u>           |                                  |                  |
|                      | <u>Authorized</u> | <u>Governor</u>         |                                  |                  |
| Full-time            | 81                | 81                      | Annual Salaries                  | 3,619,536        |
| Part-time            | 1                 | 1                       | COLA                             | 78,650           |
| Nonpermanent         | 1                 | 1                       | Premium Pay                      | 0                |
|                      |                   |                         | Annual Benefits                  | 1,293,391        |
|                      |                   |                         | <i>Less 5.25% Vacancy Factor</i> | (262,015)        |
|                      |                   |                         | Lump Sum Premium Pay             | 0                |
| <b>Totals</b>        | <b>83</b>         | <b>83</b>               | <b>Total Personal Services</b>   | <b>4,729,562</b> |

## Position Classification Summary

| Job Class Title                | Anchorage | Fairbanks | Juneau    | Others    | Total     |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| Accounting Clerk II            | 0         | 0         | 1         | 0         | 1         |
| Administrative Clerk II        | 0         | 0         | 0         | 1         | 1         |
| American Sign Lang Interpreter | 1         | 0         | 0         | 0         | 1         |
| Asst Chief Voc Rehab Svcs      | 1         | 0         | 0         | 0         | 1         |
| Chf Vocational Rehab           | 0         | 0         | 1         | 0         | 1         |
| Communications Assistant       | 1         | 0         | 0         | 0         | 1         |
| Project Coord                  | 1         | 0         | 0         | 0         | 1         |
| Secretary                      | 1         | 0         | 0         | 0         | 1         |
| Training Specialist            | 1         | 0         | 0         | 0         | 1         |
| Voc Rehab Assist I             | 7         | 2         | 0         | 2         | 11        |
| Voc Rehab Assist II            | 8         | 3         | 3         | 4         | 18        |
| Voc Rehab Assist III           | 1         | 0         | 0         | 0         | 1         |
| Voc Rehab Counselor Assoc I    | 1         | 0         | 0         | 1         | 2         |
| Voc Rehab Counselor Assoc II   | 2         | 0         | 0         | 1         | 3         |
| Voc Rehab Counselor I          | 2         | 1         | 1         | 4         | 8         |
| Voc Rehab Counselor II         | 11        | 3         | 2         | 4         | 20        |
| Voc Rehab Evaluator Assoc II   | 0         | 0         | 1         | 0         | 1         |
| Voc Rehab Evaluator II         | 3         | 0         | 0         | 0         | 3         |
| Voc Rehab Manager              | 3         | 1         | 1         | 0         | 5         |
| Vocational Rehab Counselor III | 1         | 1         | 0         | 0         | 2         |
| <b>Totals</b>                  | <b>45</b> | <b>11</b> | <b>10</b> | <b>17</b> | <b>83</b> |

## **Component: Federal Training Grant**

**Contact: Duane French, Director**

**Tel:** (907) 465-2814 **Fax:** (907) 465-2856 **E-mail:** Duane\_French@labor.state.ak.us

### **Component Mission**

To ensure that skilled and qualified personnel are available to provide vocational rehabilitation services.

### **Component Services Provided**

This component, which is 90% federally funded, contains resources for Human Resources Development (HRD) activities for all agency staff. The HRD activities focus primarily on program areas which are essential to improving the ability of rehabilitation personnel to function in their present jobs, prepare for positions of greater responsibility within the division, and/or correct deficiencies identified through the program review process.

### **Component Goals and Strategies**

MAINTAIN A COMPREHENSIVE SYSTEM OF PERSONNEL DEVELOPMENT AND MANAGE THE FEDERAL TRAINING GRANT.

\* The system of personnel development will ensure an adequate supply of qualified rehabilitation personnel, including professionals and paraprofessionals, as mandated under Section 101 (a) (7)(A) of the Rehabilitation Act Amendments of 1998. Areas of training include medical and psychosocial aspects of disabilities, counseling skills, job development and placement activities, informed choice and areas determined through a needs assessment process.

\* The program will provide planning to ensure services are presented in a culturally sensitive manner, are partnered with Alaska Native Tribal programs, and will provide staff training in substance abuse issues.

### **Key Component Issues for FY2002 – 2003**

The Workforce Investment Act requires agencies to ensure the competency of counselors who provide direct services to consumers. The division continues to define these competencies and assess if the current staff will meet them. Staff have been identified who need additional training and are in the process of attaining such training. The Department's Human Resource Section is currently reviewing the defined competencies to determine how they will fit within the personnel system.

### **Major Component Accomplishments in 2001**

Training was provided to all professional and paraprofessional staff on the federal regulations for the vocational rehabilitation program. Specialized training was provided to selected staff on specific disability issues and approaches to providing services which enabled the division to remain current and up-to-date. Academic training was provided to select professional staff to improve their knowledge and skills and the general quality of services provided to individuals with disabilities.

### **Statutory and Regulatory Authority**

AS 23.15 Article 1  
8 AAC 98  
34 CFR Part 361  
PL 105-220, Title IV

## Federal Training Grant

### Component Financial Summary

*All dollars in thousands*

|                                | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--------------------------------|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>    |                |                   |                 |
| <b>Component Expenditures:</b> |                |                   |                 |
| 71000 Personal Services        | 0.0            | 0.0               | 0.0             |
| 72000 Travel                   | 21.4           | 30.3              | 30.3            |
| 73000 Contractual              | 12.5           | 24.0              | 24.0            |
| 74000 Supplies                 | 2.6            | 2.0               | 2.0             |
| 75000 Equipment                | 0.0            | 0.0               | 0.0             |
| 76000 Land/Buildings           | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims           | 0.0            | 0.0               | 0.0             |
| 78000 Miscellaneous            | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>      | <b>36.5</b>    | <b>56.3</b>       | <b>56.3</b>     |
| <b>Funding Sources:</b>        |                |                   |                 |
| 1002 Federal Receipts          | 31.0           | 50.7              | 50.7            |
| 1003 General Fund Match        | 5.5            | 5.6               | 5.6             |
| <b>Funding Totals</b>          | <b>36.5</b>    | <b>56.3</b>       | <b>56.3</b>     |

### Estimated Revenue Collections

| Description                         | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|-------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b><u>Unrestricted Revenues</u></b> |                        |                |                   |                      |                 |                 |
| None.                               |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>           |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b><u>Restricted Revenues</u></b>   |                        |                |                   |                      |                 |                 |
| Federal Receipts                    | 51010                  | 31.0           | 50.7              | 50.7                 | 50.7            | 50.7            |
| <b>Restricted Total</b>             |                        | <b>31.0</b>    | <b>50.7</b>       | <b>50.7</b>          | <b>50.7</b>     | <b>50.7</b>     |
| <b>Total Estimated Revenues</b>     |                        | <b>31.0</b>    | <b>50.7</b>       | <b>50.7</b>          | <b>50.7</b>     | <b>50.7</b>     |

**Federal Training Grant****Proposed Changes in Levels of Service for FY2003**

There are no changes in services proposed for FY2003 in this component.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

|                          | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--------------------------|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b> | <b>5.6</b>           | <b>50.7</b>          | <b>0.0</b>         | <b>56.3</b>        |
| <b>FY2003 Governor</b>   | <b>5.6</b>           | <b>50.7</b>          | <b>0.0</b>         | <b>56.3</b>        |

## **Component: Vocational Rehabilitation Administration**

**Contact: Duane French, Director**

**Tel:** (907) 465-2814 **Fax:** (907) 465-2856 **E-mail:** Duane\_French@labor.state.ak.us

### **Component Mission**

The Alaska Division of Vocational Rehabilitation will be responsive to the needs of internal and external customers by practicing quality management and leadership.

### **Component Services Provided**

This component provides administrative support and oversight for all components within this BRU. Included are:

- \* securing federal and state resources necessary to operate the programs;
- \* liaison with other public and private agencies;
- \* communications within and outside the organization;
- \* policy direction for all components within the division;
- \* monitoring, planning, evaluation and control of the activities of the division;
- \* grant monitoring provided to public and private-non-profit organizations;
- \* accounting services for all program grant funds to individuals and non-profit organizations; and
- \* design and use of integrated information and communications systems to promote effective and efficient daily operations and planning.

### **Component Goals and Strategies**

PROVIDE ADMINISTRATIVE MANAGEMENT FOR THE DIVISION.

- \* Ensure that the division is in compliance with state and federal requirements and that sufficient resources are available;
- \* Conduct program planning activities;
- \* Conduct program evaluation and customer satisfaction activities;
- \* Increase Alaskans' awareness of the services available from the division; and
- \* Utilize technology to maximize access to information and services.

### **Key Component Issues for FY2002 – 2003**

As programs and activities are increased within the division, particularly with the Workforce Investment Act and the division's expansion into One-Stop Job Centers, emphasis will need to be continued on streamlining administrative functions for greater efficiency under a Unified State Plan.

The division must develop cost allocation agreements for the Fairbanks, Anchorage, Bethel, Wasilla, and Kenai Job Centers.

This component will provide administrative support for the purchase and implementation of a new client case management system.

### **Major Component Accomplishments in 2001**

Administrative support was provided by this component to ensure all programs within the division had adequate resources and guidance to fulfill program goals within their budget and within all legal requirements. Additionally, liaison was provided with state and federal counterparts on issues which affect individuals with disabilities including: consumer empowerment, integration of services, work incentives, and economic development.

A Cost allocation agreement was completed for the Juneau Job Center and preliminary work began on the cost allocation

agreement for the Anchorage Muldoon Job Center.

An analysis of our case management system identified several deficiencies and the need to replace the current system with a new web based system. The current system is written in an archaic language, it is not compliant with current federal reporting requirements, and is labor intensive to maintain.

### **Statutory and Regulatory Authority**

AS 23.15, Article 1  
8 AAC 98  
34 CFR

## Vocational Rehabilitation Administration

## Component Financial Summary

All dollars in thousands

|                                | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--------------------------------|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>    |                |                   |                 |
| <b>Component Expenditures:</b> |                |                   |                 |
| 71000 Personal Services        | 832.3          | 905.3             | 929.6           |
| 72000 Travel                   | 69.7           | 65.8              | 65.8            |
| 73000 Contractual              | 238.5          | 413.9             | 413.9           |
| 74000 Supplies                 | 20.2           | 17.2              | 52.3            |
| 75000 Equipment                | 6.4            | 45.1              | 10.0            |
| 76000 Land/Buildings           | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims           | 0.0            | 0.0               | 0.0             |
| 78000 Miscellaneous            | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>      | <b>1,167.1</b> | <b>1,447.3</b>    | <b>1,471.6</b>  |
| <b>Funding Sources:</b>        |                |                   |                 |
| 1002 Federal Receipts          | 940.6          | 1,258.5           | 1,279.8         |
| 1003 General Fund Match        | 165.5          | 168.6             | 171.0           |
| 1007 Inter-Agency Receipts     | 61.0           | 20.2              | 20.8            |
| <b>Funding Totals</b>          | <b>1,167.1</b> | <b>1,447.3</b>    | <b>1,471.6</b>  |

## Estimated Revenue Collections

| Description                     | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b>Unrestricted Revenues</b>    |                        |                |                   |                      |                 |                 |
| None.                           |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>       |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b>Restricted Revenues</b>      |                        |                |                   |                      |                 |                 |
| Federal Receipts                | 51010                  | 1,263.5        | 1,258.5           | 1,258.5              | 1,279.8         | 1,279.8         |
| Interagency Receipts            | 51015                  | 61.0           | 20.2              | 20.2                 | 20.8            | 20.8            |
| <b>Restricted Total</b>         |                        | <b>1,324.5</b> | <b>1,278.7</b>    | <b>1,278.7</b>       | <b>1,300.6</b>  | <b>1,300.6</b>  |
| <b>Total Estimated Revenues</b> |                        | <b>1,324.5</b> | <b>1,278.7</b>    | <b>1,278.7</b>       | <b>1,300.6</b>  | <b>1,300.6</b>  |

**Vocational Rehabilitation Administration**  
**Proposed Changes in Levels of Service for FY2003**

There are no changes in services proposed for FY2003 in this component.

**Summary of Component Budget Changes**  
**From FY2002 Authorized to FY2003 Governor**

*All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>168.6</b>         | <b>1,258.5</b>       | <b>20.2</b>        | <b>1,447.3</b>     |
| <b>Adjustments which will continue<br/>current level of service:</b> |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change<br>from FY2002                      | 2.4                  | 21.3                 | 0.6                | 24.3               |
| <b>FY2003 Governor</b>   | <b>171.0</b>         | <b>1,279.8</b>       | <b>20.8</b>        | <b>1,471.6</b>     |



## Vocational Rehabilitation Administration

## Personal Services Information

| Authorized Positions |                   | Personal Services Costs |                                |                |
|----------------------|-------------------|-------------------------|--------------------------------|----------------|
|                      | <u>FY2002</u>     | <u>FY2003</u>           |                                |                |
|                      | <u>Authorized</u> | <u>Governor</u>         |                                |                |
| Full-time            | 14                | 14                      | Annual Salaries                | 691,514        |
| Part-time            | 0                 | 0                       | COLA                           | 17,425         |
| Nonpermanent         | 1                 | 1                       | Premium Pay                    | 0              |
|                      |                   |                         | Annual Benefits                | 235,025        |
|                      |                   |                         | Less 1.52% Vacancy Factor      | (14,386)       |
|                      |                   |                         | Lump Sum Premium Pay           | 0              |
| <b>Totals</b>        | <b>15</b>         | <b>15</b>               | <b>Total Personal Services</b> | <b>929,578</b> |

## Position Classification Summary

| Job Class Title           | Anchorage | Fairbanks | Juneau    | Others   | Total     |
|---------------------------|-----------|-----------|-----------|----------|-----------|
| Accounting Spvr II        | 0         | 0         | 1         | 0        | 1         |
| Accounting Tech I         | 0         | 0         | 1         | 0        | 1         |
| Accounting Tech II        | 0         | 0         | 1         | 0        | 1         |
| Administrative Assistant  | 0         | 0         | 1         | 0        | 1         |
| Administrative Clerk II   | 1         | 0         | 0         | 0        | 1         |
| Administrative Clerk III  | 0         | 0         | 1         | 0        | 1         |
| Administrative Manager I  | 1         | 0         | 0         | 0        | 1         |
| Administrative Manager IV | 0         | 0         | 1         | 0        | 1         |
| Analyst/Programmer IV     | 1         | 0         | 0         | 0        | 1         |
| Comm Rehab Prog Spec      | 0         | 0         | 1         | 0        | 1         |
| Division Director         | 0         | 0         | 1         | 0        | 1         |
| Prog Coordinator          | 0         | 0         | 1         | 0        | 1         |
| Program Administrator     | 1         | 0         | 0         | 0        | 1         |
| Research Analyst I        | 0         | 0         | 1         | 0        | 1         |
| Student Intern I          | 0         | 0         | 1         | 0        | 1         |
| <b>Totals</b>             | <b>4</b>  | <b>0</b>  | <b>11</b> | <b>0</b> | <b>15</b> |

## **Component: Independent Living Rehabilitation**

**Contact: Duane French - Director, Patrick Reinhart - SILC Executive Director**

**Tel:** (907) 465-2814 **Fax:** (907) 465-2856 **E-mail:** Duane\_French@labor.state.ak.us

### **Component Mission**

To promote a philosophy of independent living through peer support, self help, self determination, equal access, and individual and system advocacy in order to maximize the empowerment, independence, and productivity of individuals with disabilities, and their integration and full inclusion into mainstream society.

### **Component Services Provided**

The Independent Living component addresses the needs of those persons who experience significant disabilities. These individuals are often unable to work; they are often institutionalized at taxpayer expense in nursing homes or other long-term care facilities. A major focus of the independent living program is the development of support and transition systems to allow persons with severe disabilities to move from institutions into community living environments at considerably less cost to the public. Examples of services supporting transition include the development of barrier-free housing, accessible transportation, training of personal care attendants, self-advocacy skills training, adaptive equipment and aids, consultation, personal care management training and referral services to other programs and benefits for which the individual may be eligible. In addition, the provision of independent living services may result in the individual acquiring the skills and resources necessary to secure employment.

### **Component Goals and Strategies**

PROVIDE SERVICES THAT ENABLE ALASKANS WITH SIGNIFICANT DISABILITIES TO LIVE INDEPENDENTLY.

- \* Ensure that high quality independent living services are available statewide;
- \* Require annual work plans by grantees and conduct triennial (every 3 years) site reviews of independent living grants to ensure grantees are adhering to the terms of their grant agreements and are in compliance with the State Plan for Independent Living and all applicable state and federal laws on independent living;
- \* Provide statewide independent living services through grant agreements with five Centers for Independent Living (CILs);
- \* Provide statewide independent living services for individuals who are blind and age 55 or older through grant agreements with Centers for Independent Living and/or Specialized Service Providers; and
- \* Support the State Independent Living Council (SILC) through a reimbursable service agreement using Vocational Rehabilitation Basic Support funds.

### **Key Component Issues for FY2002 – 2003**

The SILC will monitor progress on the implementation of the State's new Consumer Directed Personal Assistance Services Program and the Nursing Home Transition program. In addition the SILC will explore options for expanding Independent Living services to underserved areas of the state, especially in Western Alaska.

### **Major Component Accomplishments in 2001**

Direct services were provided to over 2000 individuals with significant disabilities through grants to non-profit centers for Independent Living in five regions: Anchorage/Matsu, Southeast, Northwest (Kotzebue), Northern/Interior, and Gulf Coast.

Site reviews of all Centers were conducted by a team of DVR and SILC staff and members.

A new three-year state plan for independent living was developed and approved by the state and federal government.

The SILC successfully advocated for a new Consumer Directed Personal Assistance Service Program via Medicaid and helped obtain federal funding to support the implementation of this new program.

The SILC successfully advocated for new federal housing supports for low-income Alaskans with disabilities.

### **Statutory and Regulatory Authority**

PL 150-220, Title IV  
AS 23.15, Article 1  
8 AAC 98  
34 CFR Parts 364,365,366 & 367

## Independent Living Rehabilitation

### Component Financial Summary

*All dollars in thousands*

|                                | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--------------------------------|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>    |                |                   |                 |
| <b>Component Expenditures:</b> |                |                   |                 |
| 71000 Personal Services        | 72.3           | 78.0              | 80.6            |
| 72000 Travel                   | 34.5           | 36.8              | 36.8            |
| 73000 Contractual              | 60.4           | 89.0              | 89.0            |
| 74000 Supplies                 | 1.7            | 4.1               | 5.8             |
| 75000 Equipment                | 1.3            | 1.7               | 0.0             |
| 76000 Land/Buildings           | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims           | 1,256.8        | 1,380.6           | 1,380.6         |
| 78000 Miscellaneous            | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>      | <b>1,427.0</b> | <b>1,590.2</b>    | <b>1,592.8</b>  |
| <b>Funding Sources:</b>        |                |                   |                 |
| 1002 Federal Receipts          | 682.5          | 770.8             | 770.8           |
| 1003 General Fund Match        | 57.8           | 57.8              | 57.8            |
| 1004 General Fund Receipts     | 524.2          | 619.1             | 619.1           |
| 1007 Inter-Agency Receipts     | 162.5          | 142.5             | 145.1           |
| <b>Funding Totals</b>          | <b>1,427.0</b> | <b>1,590.2</b>    | <b>1,592.8</b>  |

### Estimated Revenue Collections

| Description                         | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|-------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b><u>Unrestricted Revenues</u></b> |                        |                |                   |                      |                 |                 |
| None.                               |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>           |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b><u>Restricted Revenues</u></b>   |                        |                |                   |                      |                 |                 |
| Federal Receipts                    | 51010                  | 682.5          | 770.8             | 770.8                | 770.8           | 770.8           |
| Interagency Receipts                | 51015                  | 162.1          | 142.5             | 142.5                | 145.1           | 145.1           |
| <b>Restricted Total</b>             |                        | <b>844.6</b>   | <b>913.3</b>      | <b>913.3</b>         | <b>915.9</b>    | <b>915.9</b>    |
| <b>Total Estimated Revenues</b>     |                        | <b>844.6</b>   | <b>913.3</b>      | <b>913.3</b>         | <b>915.9</b>    | <b>915.9</b>    |

**Independent Living Rehabilitation****Proposed Changes in Levels of Service for FY2003**

No changes in levels of services are anticipated.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>676.9</b>         | <b>770.8</b>         | <b>142.5</b>       | <b>1,590.2</b>     |
| <b>Adjustments which will continue<br/>current level of service:</b> |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change<br>from FY2002                      | 0.0                  | 0.0                  | 2.6                | 2.6                |
| <b>FY2003 Governor</b>   | <b>676.9</b>         | <b>770.8</b>         | <b>145.1</b>       | <b>1,592.8</b>     |

## Independent Living Rehabilitation

## Personal Services Information

| Authorized Positions |                   |                 | Personal Services Costs        |               |
|----------------------|-------------------|-----------------|--------------------------------|---------------|
|                      | <u>FY2002</u>     | <u>FY2003</u>   |                                |               |
|                      | <u>Authorized</u> | <u>Governor</u> |                                |               |
| Full-time            | 1                 | 1               | Annual Salaries                | 59,196        |
| Part-time            | 0                 | 0               | COLA                           | 2,131         |
| Nonpermanent         | 0                 | 0               | Premium Pay                    | 690           |
|                      |                   |                 | Annual Benefits                | 18,723        |
|                      |                   |                 | Less 0.17% Vacancy Factor      | (140)         |
|                      |                   |                 | Lump Sum Premium Pay           | 0             |
| <b>Totals</b>        | <b>1</b>          | <b>1</b>        | <b>Total Personal Services</b> | <b>80,600</b> |

## Position Classification Summary

| Job Class Title     | Anchorage | Fairbanks | Juneau   | Others   | Total    |
|---------------------|-----------|-----------|----------|----------|----------|
| Project Coordinator | 1         | 0         | 0        | 0        | 1        |
| <b>Totals</b>       | <b>1</b>  | <b>0</b>  | <b>0</b> | <b>0</b> | <b>1</b> |

## **Component: Disability Determination**

### **Contact: Duane French, Director**

**Tel:** (907) 465-2814 **Fax:** (907) 465-2856 **E-mail:** Duane\_French@labor.state.ak.us

## **Component Mission**

To provide efficient adjudication of claims for disability benefits under Title II and Title XVI of the Social Security Act.

## **Component Services Provided**

Disability Determination Services (DDS) is 100% federally funded by the Social Security Administration. Historically, the DDS operated under contract agreement between the state (Division of Vocational Rehabilitation) and the Federal Government (SSA). In 1980, federal legislation changed that relationship. The DDS operates as a federally regulated agency. Adjudication services are also provided for the Department of Health & Social Services, Division of Public Assistance through a Reimbursable Services Agreement (RSA).

These federal funds are used solely to provide medical determinations for persons alleging disability under Title II (Social Security) and Title XVI (Supplemental Security Income) provisions of the Social Security Act, as amended.

The DDS is responsible for obtaining medical records, and in certain situations, purchasing medical exams, in order to adjudicate these disability claims.

The DDS also refers claimants to the Division of Vocational Rehabilitation for consideration of a wide range of services.

The DDS adjudicates approximately 5,400 disability claims a year, including medical reviews of those people already receiving disability payments.

Disabled persons in Alaska under the Title II and Title XVI disability programs and their dependents receive approximately \$36,000,000 per year in payments based on disability. This figure does not include any state funds or other state benefits that these recipients may receive or for which they may be eligible by virtue of their eligibility for federal SSA and/or SSI disability benefits.

## **Component Goals and Strategies**

PROVIDE SERVICES TO ENABLE ALASKANS WITH DISABILITIES TO RECEIVE SOCIAL SECURITY BENEFITS.

- \* Adjudicate approximately 5,400 claims annually for Supplemental Security Income (SSI) and Social Security Disability Income (SSDI);
- \* Maintain adequate staff and resources to provide adjudication and administrative services;
- \* Conduct quality control activities; and
- \* Provide adequate staff training.
- \* Streamline the Prototype process to decrease processing time and increase productivity.

## **Key Component Issues for FY2002 – 2003**

Alaska Disability Determination Services is one of ten states in the country to start adjudicating disability claims in a new manner. This new process, called the Disability Prototype, started in FY 2000. It involves more claimant contact, more focus on treating physician opinion and symptomatology, and elimination of the reconsideration step. The Social Security Administration originally intended the non-Prototype states would start the new process in FY 2001, however the ten original states continue to work with the Social Security Administration on streamlining the process. While no new states have implemented the Prototype process, the Social Security Administration is evaluating the process to determine whether there are adequate resources to implement across all states.

## **Major Component Accomplishments in 2001**

The administrative structure was reorganized in the past year and additional staff was added to address the increased workload that resulted from the Prototype changes. The DDS completed 5,162 initial claims and 269 continuing disability reviews. The approval rate for the past fiscal year was 49% which is an increase from pre-Prototype when approvals accounted for 42% of decisions. The Prototype process currently takes longer to process claims but results in better decisions with more information provided to claimants about the decision process.

## **Statutory and Regulatory Authority**

PL 74-271



## Disability Determination

### Component Financial Summary

*All dollars in thousands*

|                                | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--------------------------------|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>    |                |                   |                 |
| <b>Component Expenditures:</b> |                |                   |                 |
| 71000 Personal Services        | 1,404.3        | 1,376.2           | 1,551.8         |
| 72000 Travel                   | 32.3           | 32.3              | 32.3            |
| 73000 Contractual              | 448.3          | 1,149.9           | 1,055.0         |
| 74000 Supplies                 | 28.6           | 12.1              | 30.0            |
| 75000 Equipment                | 2.0            | 118.0             | 58.5            |
| 76000 Land/Buildings           | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims           | 1,955.3        | 2,400.0           | 2,400.0         |
| 78000 Miscellaneous            | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>      | <b>3,870.8</b> | <b>5,088.5</b>    | <b>5,127.6</b>  |
| <b>Funding Sources:</b>        |                |                   |                 |
| 1002 Federal Receipts          | 3,719.3        | 4,888.9           | 4,926.4         |
| 1007 Inter-Agency Receipts     | 151.5          | 199.6             | 201.2           |
| <b>Funding Totals</b>          | <b>3,870.8</b> | <b>5,088.5</b>    | <b>5,127.6</b>  |

### Estimated Revenue Collections

| Description                     | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b>Unrestricted Revenues</b>    |                        |                |                   |                      |                 |                 |
| None.                           |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>       |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b>Restricted Revenues</b>      |                        |                |                   |                      |                 |                 |
| Federal Receipts                | 51010                  | 3,432.6        | 4,888.9           | 4,888.9              | 4,926.4         | 4,926.4         |
| Interagency Receipts            | 51015                  | 151.5          | 199.6             | 199.6                | 201.2           | 201.2           |
| <b>Restricted Total</b>         |                        | <b>3,584.1</b> | <b>5,088.5</b>    | <b>5,088.5</b>       | <b>5,127.6</b>  | <b>5,127.6</b>  |
| <b>Total Estimated Revenues</b> |                        | <b>3,584.1</b> | <b>5,088.5</b>    | <b>5,088.5</b>       | <b>5,127.6</b>  | <b>5,127.6</b>  |

**Disability Determination****Proposed Changes in Levels of Service for FY2003**

There are no changes in services proposed for FY2003 in this component.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>0.0</b>           | <b>4,888.9</b>       | <b>199.6</b>       | <b>5,088.5</b>     |
| <b>Adjustments which will continue<br/>current level of service:</b> |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change<br>from FY2002                      | 0.0                  | 37.5                 | 1.6                | 39.1               |
| <b>FY2003 Governor</b>   | <b>0.0</b>           | <b>4,926.4</b>       | <b>201.2</b>       | <b>5,127.6</b>     |

## Disability Determination

### Personal Services Information

| Authorized Positions |                   | Personal Services Costs |  |
|----------------------|-------------------|-------------------------|--|
|                      | <u>FY2002</u>     | <u>FY2003</u>           |  |
|                      | <u>Authorized</u> | <u>Governor</u>         |  |
| Full-time            | 26                | 29                      | Annual Salaries 1,149,231                |
| Part-time            | 0                 | 0                       | COLA 25,985                              |
| Nonpermanent         | 0                 | 0                       | Premium Pay 0                            |
|                      |                   |                         | Annual Benefits 436,493                  |
|                      |                   |                         | Less 3.72% Vacancy Factor (59,909)       |
|                      |                   |                         | Lump Sum Premium Pay 0                   |
| <b>Totals</b>        | <b>26</b>         | <b>29</b>               | <b>Total Personal Services 1,551,800</b> |

### Position Classification Summary

| Job Class Title           | Anchorage | Fairbanks | Juneau   | Others   | Total     |
|---------------------------|-----------|-----------|----------|----------|-----------|
| Administrative Assistant  | 1         | 0         | 0        | 0        | 1         |
| Administrative Clerk I    | 1         | 0         | 0        | 0        | 1         |
| Administrative Clerk II   | 2         | 0         | 0        | 0        | 2         |
| Administrative Clerk III  | 4         | 0         | 0        | 0        | 4         |
| Chf Vocational Rehab      | 1         | 0         | 0        | 0        | 1         |
| Disability Adjud Assoc I  | 6         | 0         | 0        | 0        | 6         |
| Disability Adjud Assoc II | 7         | 0         | 0        | 0        | 7         |
| Disability Adjudicator I  | 4         | 0         | 0        | 0        | 4         |
| Disability Adjudicator II | 2         | 0         | 0        | 0        | 2         |
| Disability Hearing Offcr  | 1         | 0         | 0        | 0        | 1         |
| <b>Totals</b>             | <b>29</b> | <b>0</b>  | <b>0</b> | <b>0</b> | <b>29</b> |

## **Component: Special Projects**

### **Contact: Duane French, Director**

**Tel:** (907) 465-2814 **Fax:** (907) 465-2856 **E-mail:** Duane\_French@labor.state.ak.us

## **Component Mission**

To seek out new and innovative programs which will enhance and support the general mission of the division to provide services to individuals with disabilities.

## **Component Services Provided**

The division seeks funding for innovative projects that address needs identified in the planning process. Projects are also designed to address state and federal initiatives such as client choice. Projects are complementary to the basic vocational rehabilitation service program.

**SUPPORTED EMPLOYMENT/TITLE VI PART C:** Supported employment services is a 100% federally funded program to provide services to individuals with the most severe disabilities who require supported employment to enter or retain competitive employment. With the support and service provided through this program, the individuals are able to benefit from vocational rehabilitation services. Services funded include intensive on the job training services, follow-up services, and discrete post-employment services. Extended support services after placement and training must be provided by other sources of funding or with the use of natural supports.

**INTERPRETER REFERRAL SERVICES:** Grants are funded to non-profit organizations in Juneau, Anchorage and Fairbanks enabling them to administer the project for referral of sign language interpreters for deaf and hearing impaired individuals.

**ALASKA WORKS PROJECT:** The Alaska Works Project will assist individuals with disabilities to expand the use of federal and state provisions allowing the retention of Medicaid and Medicare benefits when they return to work. This project will also engage business executives in developing aggressive strategies to increase the presence of people with disabilities in their workforce. Alaska Works started in November, 1999. It is funded 100% through an RSA with the Department of Health & Social Services for five years.

**ECONOMIC DEVELOPMENT ALLIANCE:** An Economic Development Alliance Project is continued in collaboration with the Governor's Council of Disabilities and Special Education. The project assists private businesses with hiring individuals with disabilities by providing funds for the business to purchase needed technology, equipment or other services. It is funded by an RSA with the Department of Health & Social Services.

**ALASKA WORK INCENTIVES PROJECT:** This project seeks to enhance the employability, employment and career advancement of people with disabilities through enhanced service delivery in the new One-stop delivery system established under the Workforce Investment Act of 1998.

## **Component Goals and Strategies**

### **1) ENABLE INDIVIDUALS WITH THE MOST SEVERE DISABILITIES TO GO TO WORK.**

\* The division will provide supported employment services to these individuals.

### **2) PROVIDE A MEANS FOR PEOPLE WHO ARE DEAF TO COMMUNICATE WITH HEARING PEOPLE.**

\* The division will fund three regional grants in Anchorage, Fairbanks and Juneau for sign language interpreter services. The grantees serve as referral agents to match interpreters with individuals who are deaf or hard of hearing and who need interpreter services for a specific purpose such as a meeting, medical appointment, job interview, etc.

### **3) ENABLE INDIVIDUALS WITH DISABILITIES TO GO TO WORK WITHOUT FEAR OF LOSING HEALTH BENEFITS.**

\* The Alaska Works project is intended to initiate system change that addresses the barriers that keep people with disabilities from working: fragmented systems, lack of comprehensive vocational services, limited work opportunities, fear

of losing benefits, financial disincentives and general lack of knowledge or use of existing work incentives. The primary customers are people with disabilities and employers.

\* The Alaska Work Incentive Project will expand on the Alaska Works program by improving the capacity of One-stop Centers to effectively and efficiently serve people with disabilities. Critical services such as benefits counseling and information on the services available and how to access services at One-stop sites will be provided to people with disabilities.

### **Key Component Issues for FY2002 – 2003**

The Alaska Works Project in conjunction with the Alaska Work Incentive Project will address the barriers individuals with disabilities face when they go to work. Medicaid and Medicare benefits may be cut off, yet the individuals may not have health insurance through their employers. Many other disincentives exist which the projects will try to resolve for these individuals. Additionally, the projects work with business executives to develop strategies that will increase the presence of individuals with disabilities in their workforce.

### **Major Component Accomplishments in 2001**

The Alaska Transition Initiative completed the final year of a five-year federal grant. This project developed a statewide service delivery system for youth with disabilities to assist in a successful transition from school to adult life.

The Alaska Works project completed the following goals during the year:

- \* Identified systemic barriers, including State and local agency policies, practices, procedures, and rules that inhibit individuals with disabilities who are participating in public support programs from becoming competitively employed.
- \* Established effective collaborative working relationships among stakeholders in Alaska by holding meetings with partners to develop approaches to apply for grants, organized meetings between business community and people with disabilities to discuss ideas on how to address barriers in the workplace and remove fear of both parties, and facilitated the inclusion of person with disabilities on the local Workforce Investment Boards in Anchorage, Juneau and Fairbanks.
- \* Developed and implemented strategies to establish a coordinated and innovative service delivery system.
- \* Improved access to health insurance for individuals with disabilities who become employed.
- \* Increased the use of existing resources by State, local agencies, and business and industry.

A Program Coordinator was hired to implement the Alaska Works Incentive Grant. Work began on the process of coordinating the statewide Job Center Assistive Technology assessment and a joint coordination of an in-depth training plan that will encompass partners from Alaska Works, Social Security and the Medicaid Infrastructure grant.

### **Statutory and Regulatory Authority**

PL 102-569, Title IV  
AS 23.15, Article 1  
8 AAC 98  
34 CFR  
The Individuals with Disabilities Education Act (IDEA)

## Special Projects

### Component Financial Summary

All dollars in thousands

|                                | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--------------------------------|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>    |                |                   |                 |
| <b>Component Expenditures:</b> |                |                   |                 |
| 71000 Personal Services        | 74.8           | 344.2             | 231.3           |
| 72000 Travel                   | 9.0            | 78.7              | 68.7            |
| 73000 Contractual              | 136.7          | 955.8             | 367.0           |
| 74000 Supplies                 | 3.7            | 34.2              | 72.7            |
| 75000 Equipment                | 5.7            | 66.0              | 0.0             |
| 76000 Land/Buildings           | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims           | 1,006.5        | 1,376.8           | 1,026.8         |
| 78000 Miscellaneous            | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>      | <b>1,236.4</b> | <b>2,855.7</b>    | <b>1,766.5</b>  |
| <b>Funding Sources:</b>        |                |                   |                 |
| 1002 Federal Receipts          | 879.6          | 2,615.8           | 1,526.6         |
| 1004 General Fund Receipts     | 82.9           | 85.8              | 85.8            |
| 1007 Inter-Agency Receipts     | 273.9          | 154.1             | 154.1           |
| <b>Funding Totals</b>          | <b>1,236.4</b> | <b>2,855.7</b>    | <b>1,766.5</b>  |

### Estimated Revenue Collections

| Description                     | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b>Unrestricted Revenues</b>    |                        |                |                   |                      |                 |                 |
| None.                           |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>       |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b>Restricted Revenues</b>      |                        |                |                   |                      |                 |                 |
| Federal Receipts                | 51010                  | 879.6          | 2,615.8           | 2,615.8              | 1,526.6         | 1,526.6         |
| Interagency Receipts            | 51015                  | 273.9          | 154.1             | 54.0                 | 154.1           | 154.1           |
| <b>Restricted Total</b>         |                        | <b>1,153.5</b> | <b>2,769.9</b>    | <b>2,669.8</b>       | <b>1,680.7</b>  | <b>1,680.7</b>  |
| <b>Total Estimated Revenues</b> |                        | <b>1,153.5</b> | <b>2,769.9</b>    | <b>2,669.8</b>       | <b>1,680.7</b>  | <b>1,680.7</b>  |

## Special Projects

### Proposed Changes in Levels of Service for FY2003

A change in this component is the elimination of \$1,100.0 in federal funding for the Access to Alaska project (\$750.0) and the Alaska Transition Initiative grant (\$350.0). The Access to Alaska project did not receive the requested federal funds and the Alaska Transition Initiative grant ended in FY2002.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

|   | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>  | <b>85.8</b>          | <b>2,615.8</b>       | <b>154.1</b>       | <b>2,855.7</b>     |
| <b>Adjustments which will continue current level of service:</b>                    |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change from FY2002  | 0.0                  | 8.7                  | 0.0                | 8.7                |
| <b>Proposed budget decreases:</b>   |                      |                      |                    |                    |
| -Delete Federal Authorization for Access to Alaska and Transition Initiative Grants | 0.0                  | -1,097.9             | 0.0                | -1,097.9           |
| <b>FY2003 Governor</b>  | <b>85.8</b>          | <b>1,526.6</b>       | <b>154.1</b>       | <b>1,766.5</b>     |

## Special Projects

## Personal Services Information

| Authorized Positions |                   | Personal Services Costs |                                |                |
|----------------------|-------------------|-------------------------|--------------------------------|----------------|
|                      | <u>FY2002</u>     | <u>FY2003</u>           |                                |                |
|                      | <u>Authorized</u> | <u>Governor</u>         |                                |                |
| Full-time            | 1                 | 4                       | Annual Salaries                | 171,041        |
| Part-time            | 0                 | 0                       | COLA                           | 4,757          |
| Nonpermanent         | 6                 | 0                       | Premium Pay                    | 0              |
|                      |                   |                         | Annual Benefits                | 62,456         |
|                      |                   |                         | Less 2.93% Vacancy Factor      | (6,983)        |
|                      |                   |                         | Lump Sum Premium Pay           | 0              |
| <b>Totals</b>        | <b>7</b>          | <b>4</b>                | <b>Total Personal Services</b> | <b>231,271</b> |

## Position Classification Summary

| Job Class Title   | Anchorage | Fairbanks | Juneau   | Others   | Total    |
|-------------------|-----------|-----------|----------|----------|----------|
| Prog Coordinator  | 1         | 0         | 0        | 0        | 1        |
| Project Assistant | 1         | 0         | 0        | 0        | 1        |
| Project Asst      | 0         | 0         | 0        | 2        | 2        |
| <b>Totals</b>     | <b>2</b>  | <b>0</b>  | <b>0</b> | <b>2</b> | <b>4</b> |



## **Component: Assistive Technology**

### **Contact: Duane French, Director**

**Tel:** (907) 465-2814 **Fax:** (907) 465-2856 **E-mail:** Duane\_French@labor.state.ak.us

## **Component Mission**

To provide support systems for change and advocacy in developing and implementing a consumer responsive and comprehensive statewide program of technology related assistance for individuals with disabilities of all ages.

## **Component Services Provided**

This component provides a means for implementing a system to assist persons with disabilities of all ages to live more independently through the use of assistive technology.

This component provides for the development, implementation and evaluation of a comprehensive service delivery system whereby persons with disabilities residing in all areas of the state will be able to access assistive technology services and/or devices. For this program to be successful, public, private-for-profit and non-profit agencies and providers must come together to provide services/devices without duplication and delays.

Federal funding of this project mandates that consumer involvement is a major emphasis, which requires consumer advice and direction at all levels of program development, implementation and evaluation.

## **Component Goals and Strategies**

ASSISTIVE TECHNOLOGIES OF ALASKA WILL CONTINUE TO SUPPORT A CONSUMER-BASED COMPREHENSIVE SYSTEM OF SERVICE DELIVERY FOR INDIVIDUALS WITH DISABILITIES TO LIVE, WORK AND PARTICIPATE IN THEIR COMMUNITY INDEPENDENTLY THROUGH TECHNOLOGY.

- \* Develop and stabilize a market-based delivery system of assistive technology devices and services;
- \* Establish a long-term flexible alternative funding source, overseen by consumers for consumers.

## **Key Component Issues for FY2002 – 2003**

The assistive technology market needs to open sufficiently to increase the likelihood of the sustained viability of a non-profit vendor in the Alaska assistive technology market. The goal is the expansion of existing services provided by existing vendors and/or the introduction of new vendors in the assistive technology market on a full-time basis.

There is a need for supplemental funding for the Assistive Technology Loan fund to meet the broad spectrum of consumer needs not covered by other service providers. The goal is to make available new funding or to decrease in the percentage of the loan guarantee required by the bank.

## **Major Component Accomplishments in 2001**

The Assistive Technology Consortium was modified to reflect the needs of the organizations taking part. Non-profit consortium agencies were having difficulty adapting to a fee-for-service "retail" environment. Rather than participating in the consortium by selling and servicing assistive technology, the consortium agencies utilize the hub agency. This allows them to continue providing the general disability services they currently provide in the manner most appropriate to their communities, while using the hub agency as a supplier of technology and expertise. This has resulted in agencies across the state obtaining technology through the hub agency for their local consumers, using hub agency staff in a consultative role and organizing training and workshops in their local areas, conducted by hub agency staff. Those agencies that are willing to pursue a fee-for service model use the hub agency as a wholesaler and strategic sales partner.

The Consortium has actively worked to ensure that assistive technology services will continue beyond federal funding. This has lead to new and innovative approaches to providing services including equipment loans and information provided across regions with organizations sharing resources.

## **Statutory and Regulatory Authority**

ATA - PL 100-407

Technology Related Assistance for Individuals with Disabilities Act.

## Assistive Technology

### Component Financial Summary

*All dollars in thousands*

|                                | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|--------------------------------|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>    |                |                   |                 |
| <b>Component Expenditures:</b> |                |                   |                 |
| 71000 Personal Services        | 41.5           | 74.2              | 79.9            |
| 72000 Travel                   | 2.5            | 10.0              | 10.0            |
| 73000 Contractual              | 10.8           | 30.0              | 27.7            |
| 74000 Supplies                 | 1.4            | 5.0               | 11.5            |
| 75000 Equipment                | 0.0            | 7.5               | 0.0             |
| 76000 Land/Buildings           | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims           | 317.5          | 438.6             | 438.6           |
| 78000 Miscellaneous            | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>      | <b>373.7</b>   | <b>565.3</b>      | <b>567.7</b>    |
| <b>Funding Sources:</b>        |                |                   |                 |
| 1002 Federal Receipts          | 373.7          | 469.3             | 471.7           |
| 1007 Inter-Agency Receipts     | 0.0            | 96.0              | 96.0            |
| <b>Funding Totals</b>          | <b>373.7</b>   | <b>565.3</b>      | <b>567.7</b>    |

### Estimated Revenue Collections

| Description                         | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|-------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b><u>Unrestricted Revenues</u></b> |                        |                |                   |                      |                 |                 |
| None.                               |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>           |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b><u>Restricted Revenues</u></b>   |                        |                |                   |                      |                 |                 |
| Federal Receipts                    | 51010                  | 373.7          | 469.3             | 469.3                | 471.7           | 471.7           |
| Interagency Receipts                | 51015                  | 0.0            | 96.0              | 0.0                  | 96.0            | 0.0             |
| <b>Restricted Total</b>             |                        | <b>373.7</b>   | <b>565.3</b>      | <b>469.3</b>         | <b>567.7</b>    | <b>471.7</b>    |
| <b>Total Estimated Revenues</b>     |                        | <b>373.7</b>   | <b>565.3</b>      | <b>469.3</b>         | <b>567.7</b>    | <b>471.7</b>    |

**Assistive Technology****Proposed Changes in Levels of Service for FY2003**

No change of service levels is anticipated.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>0.0</b>           | <b>469.3</b>         | <b>96.0</b>        | <b>565.3</b>       |
| <b>Adjustments which will continue<br/>current level of service:</b> |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change<br>from FY2002                      | 0.0                  | 2.4                  | 0.0                | 2.4                |
| <b>FY2003 Governor</b>   | <b>0.0</b>           | <b>471.7</b>         | <b>96.0</b>        | <b>567.7</b>       |

## Assistive Technology

## Personal Services Information

| Authorized Positions |                   |                 | Personal Services Costs          |               |
|----------------------|-------------------|-----------------|----------------------------------|---------------|
|                      | <u>FY2002</u>     | <u>FY2003</u>   |                                  |               |
|                      | <u>Authorized</u> | <u>Governor</u> |                                  |               |
| Full-time            | 1                 | 1               | Annual Salaries                  | 60,552        |
| Part-time            | 0                 | 0               | COLA                             | 1,975         |
| Nonpermanent         | 0                 | 0               | Premium Pay                      | 0             |
|                      |                   |                 | Annual Benefits                  | 18,967        |
|                      |                   |                 | <i>Less 1.96% Vacancy Factor</i> | (1,594)       |
|                      |                   |                 | Lump Sum Premium Pay             | 0             |
| <b>Totals</b>        | <b>1</b>          | <b>1</b>        | <b>Total Personal Services</b>   | <b>79,900</b> |

## Position Classification Summary

| Job Class Title  | Anchorage | Fairbanks | Juneau   | Others   | Total    |
|------------------|-----------|-----------|----------|----------|----------|
| Prog Coordinator | 1         | 0         | 0        | 0        | 1        |
| <b>Totals</b>    | <b>1</b>  | <b>0</b>  | <b>0</b> | <b>0</b> | <b>1</b> |

## **Component: Americans With Disabilities Act (ADA)**

### **Contact: Duane French, Director**

**Tel:** (907) 465-2814 **Fax:** (907) 465-2856 **E-mail:** Duane\_French@labor.state.ak.us

### **Component Mission**

To establish policies, guidelines and practices for state government to follow to ensure compliance with Title I and Title II of the Americans with Disabilities Act of 1990 as amended and the implementing regulations.

### **Component Services Provided**

The Americans with Disabilities Act component oversees the process of bringing the executive branch of state government into compliance with the Americans with Disabilities Act. This includes a variety of activities related to training state employees; monitoring compliance efforts; providing technical assistance to departments; facilitating communication between departments; handling complaints about the Americans with Disabilities Act; ensuring that the executive branch of state government comes into compliance with state Administrative Order #129; and spearheading the removal of architectural barriers in all state facilities.

### **Component Goals and Strategies**

TO ASSURE COMPLIANCE OF ALL AGENCIES IN THE EXECUTIVE BRANCH OF GOVERNMENT WITH TITLE I AND II OF THE AMERICANS WITH DISABILITIES ACT AND ADMINISTRATIVE ORDER #129.

- \* Provide training to State employees to help them understand the Americans with Disabilities Act.
- \* Provide updated information on status of state facilities audited for ADA compliance.
- \* Complete interim transition plans.
- \* Complete programmatic evaluations.
- \* Research compliance history and report findings to the Governor, legislature and Alaskans.
- \* Identify barriers in employment, programs and facilities.

### **Key Component Issues for FY2002 – 2003**

- \* To provide information and training to ensure compliance of all agencies with the requirements of the ADA.
- \* To eliminate identified barriers to programs and facilities.

### **Major Component Accomplishments in 2001**

Salvaged and reestablished the database containing information on architectural barriers in all state facilities that was not Y2K compliant.

Maintained and lead the ADA Task Force.

Evaluated State Web pages for accessibility of people with disabilities.

Spot checked state leased facilities for ADA compliance.

Established a comprehensive ADA related web site.

## **Statutory and Regulatory Authority**

PL 101-336  
42 USC 12101  
Administrative Order 129  
29 CFR part 1630

## Americans With Disabilities Act (ADA)

## Component Financial Summary

All dollars in thousands

|   | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|---|----------------|-------------------|-----------------|
| <b>Non-Formula Program:</b>               |                |                   |                 |
| <b>Component Expenditures:</b>            |                |                   |                 |
| 71000 Personal Services                   | 90.6           | 90.2              | 86.0            |
| 72000 Travel                              | 16.2           | 37.1              | 37.1            |
| 73000 Contractual                         | 45.7           | 60.2              | 64.7            |
| 74000 Supplies                            | 9.5            | 4.5               | 6.9             |
| 75000 Equipment                           | 0.4            | 0.0               | 0.0             |
| 76000 Land/Buildings                      | 0.0            | 0.0               | 0.0             |
| 77000 Grants, Claims                      | 0.0            | 0.0               | 0.0             |
| 78000 Miscellaneous                       | 0.0            | 0.0               | 0.0             |
| <b>Expenditure Totals</b>                 | <b>162.4</b>   | <b>192.0</b>      | <b>194.7</b>    |
| <b>Funding Sources:</b>                   |                |                   |                 |
| 1007 Inter-Agency Receipts                | 162.4          | 117.0             | 119.7           |
| 1061 Capital Improvement Project Receipts | 0.0            | 75.0              | 75.0            |
| <b>Funding Totals</b>                     | <b>162.4</b>   | <b>192.0</b>      | <b>194.7</b>    |

## Estimated Revenue Collections

| Description                          | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|--------------------------------------|------------------------|----------------|-------------------|----------------------|-----------------|-----------------|
| <b>Unrestricted Revenues</b>         |                        |                |                   |                      |                 |                 |
| None.                                |                        | 0.0            | 0.0               | 0.0                  | 0.0             | 0.0             |
| <b>Unrestricted Total</b>            |                        | <b>0.0</b>     | <b>0.0</b>        | <b>0.0</b>           | <b>0.0</b>      | <b>0.0</b>      |
| <b>Restricted Revenues</b>           |                        |                |                   |                      |                 |                 |
| Interagency Receipts                 | 51015                  | 162.4          | 117.0             | 117.0                | 119.7           | 192.0           |
| Capital Improvement Project Receipts | 51200                  | 47.3           | 75.0              | 75.0                 | 75.0            | 0.0             |
| <b>Restricted Total</b>              |                        | <b>209.7</b>   | <b>192.0</b>      | <b>192.0</b>         | <b>194.7</b>    | <b>192.0</b>    |
| <b>Total Estimated Revenues</b>      |                        | <b>209.7</b>   | <b>192.0</b>      | <b>192.0</b>         | <b>194.7</b>    | <b>192.0</b>    |



**Americans With Disabilities Act (ADA)****Proposed Changes in Levels of Service for FY2003**

There are no changes in the services to be provided.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2002 Authorized</b>   | <b>0.0</b>           | <b>0.0</b>           | <b>192.0</b>       | <b>192.0</b>       |
| <b>Adjustments which will continue<br/>current level of service:</b> |                      |                      |                    |                    |
| -Year 3 Labor Costs - Net Change<br>from FY2002                      | 0.0                  | 0.0                  | 2.7                | 2.7                |
| <b>FY2003 Governor</b>   | <b>0.0</b>           | <b>0.0</b>           | <b>194.7</b>       | <b>194.7</b>       |

**Americans With Disabilities Act (ADA)****Personal Services Information**

| <b>Authorized Positions</b> |                          |                        | <b>Personal Services Costs</b>   |               |
|-----------------------------|--------------------------|------------------------|----------------------------------|---------------|
|                             | <b><u>FY2002</u></b>     | <b><u>FY2003</u></b>   |                                  |               |
|                             | <b><u>Authorized</u></b> | <b><u>Governor</u></b> |                                  |               |
| Full-time                   | 1                        | 1                      | Annual Salaries                  | 64,200        |
| Part-time                   | 0                        | 0                      | COLA                             | 2,284         |
| Nonpermanent                | 0                        | 0                      | Premium Pay                      | 0             |
|                             |                          |                        | Annual Benefits                  | 19,526        |
|                             |                          |                        | <i>Less 0.00% Vacancy Factor</i> | (0)           |
|                             |                          |                        | Lump Sum Premium Pay             | 0             |
| <b>Totals</b>               | <b>1</b>                 | <b>1</b>               | <b>Total Personal Services</b>   | <b>86,010</b> |

**Position Classification Summary**

| <b>Job Class Title</b> | <b>Anchorage</b> | <b>Fairbanks</b> | <b>Juneau</b> | <b>Others</b> | <b>Total</b> |
|------------------------|------------------|------------------|---------------|---------------|--------------|
| Project Coordinator    | 0                | 0                | 1             | 0             | 1            |
| <b>Totals</b>          | <b>0</b>         | <b>0</b>         | <b>1</b>      | <b>0</b>      | <b>1</b>     |